

Annual Report and Accounts 2021/22



NHS Business Services Authority Annual Report and Accounts 2021/22

Presented to Parliament pursuant to Schedule 15, Section 6 of the
National Health Service Act 2006

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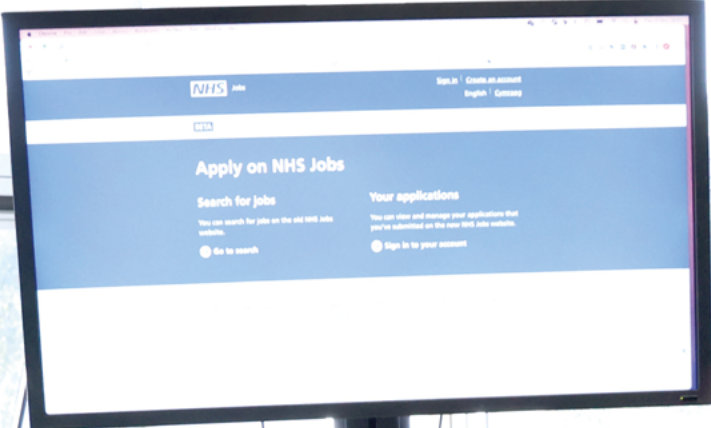
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1. Performance report

Our performance report gives an overview of 2021/22, including a section giving details of our purpose, activities and performance during the year.

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summary

1.1 Overview

1.1.1 Statement from our Chief Executive

I am delighted to introduce this year's annual report and reflect upon another year of delivery and achievement by my NHSBSA colleagues. Delivery of taxpayer value, delivery of high quality services for the taxpayer, delivery of transformation and digitisation and the delivery of a great place to work where people can give and be their best.

Our purpose is to be a catalyst for better health and we continue to do this by being the NHS's business partner of choice. We are the NHS delivering for the NHS and during the financial year 2021/22 we continued to operate a significant number of the COVID-19 related services which we stood up during the pandemic, providing support direct to the public and to the NHS frontline.

Recognising the challenging environment that all organisations were working in, we believe we have continued to perform well. This year we delivered £253 million of wider system efficiencies. This was against a target of £158.5 million, making a cumulative total of about £2 billion in savings for the NHS since 2014. We increased the number of timely customer payments being made through our various systems and platforms to over 99.9% with total volumes exceeding 61 million of such payments with a value of around £80 billion.

We also started planning for the delivery of three new major service lines. This included NHS Healthy Start, which provides help to those in England and Wales who qualify for support to buy healthy foods and vitamins to aid their children's development; the Vaccine Damage Payment Scheme, which provides a one-off, tax-free payment to successful applicants where, on very rare occasions, a vaccine has caused severe disablement. Finally, the UK Global Health Insurance Card which will gradually replace the EHIC overseas health insurance card.

As well as this we achieved the "Outstanding" Two Star status in the Best Companies Index for the second consecutive year. An award which is given to organisations whose survey responses show that there is an outstanding commitment to workplace engagement. We were also ranked fourth in the Best Big Companies to Work For category by Best Companies and we secured top place in the Best Not-for Profit Organisation category. This, alongside the many other awards and recognition received, demonstrate our absolute commitment to being a great workplace.

My thanks to each and every member of the NHSBSA team and to our delivery partners who have worked with us throughout 2021/22, helping us to achieve many successes and again show that we are a delivery partner of choice for the health and care system.



Michael Brodie
Chief Executive

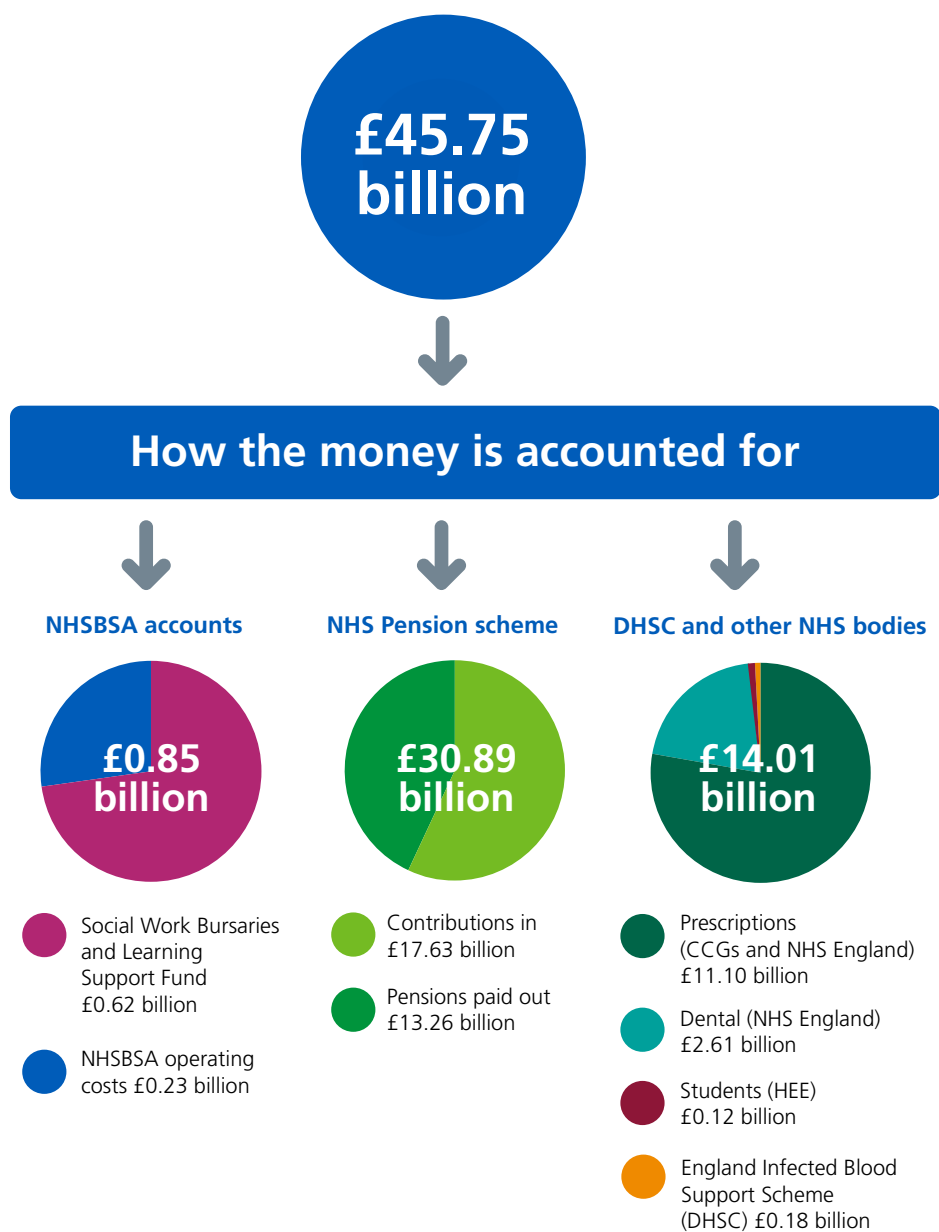
1.1.2 About us

- We're an Arm's Length Body of the Department of Health and Social Care (DHSC).
- We help the NHS run efficiently by delivering services that support the NHS workforce, Primary Care and millions of UK citizens.
- We are experts at managing healthcare information at scale and have a reputation for driving cost savings and efficiencies.
- We manage around £45 billion of NHS spend annually while helping to deliver significant savings back into the health and care system.
- We use data analysis, insight, digitisation and collaboration to improve health outcomes, patient safety and taxpayer value.

Our purpose is to be a catalyst for better health.

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

Figure 1: The money flowing through the NHSBSA



We are an expert delivery organisation relied upon by Government and the health and care system to provide a range of complex and essential, high volume business services to support the day to day running of the NHS and wider health and care system. We provide a platform for at scale national payments for Primary Care services to dentists and pharmacists. We support the NHS Workforce by providing employment, HR and payroll platforms, as well as providing financial support to NHS students and managing the NHS Pension scheme. We provide a wide range of services direct to the public to help citizens gain access to healthcare and support costs they are entitled to. Data analysis, insight, digitisation and collaboration are at the heart of our business so we can improve patient outcomes and support the NHS workforce.

We have an excellent reputation as a trusted delivery partner and we have ambition to do more by providing services once, nationally and at scale and by digitising and utilising leading-edge technology we deliver great taxpayer value and great savings for the NHS which can then be reinvested in frontline care.

As an organisation, we are well-placed to support the DHSC's response to the levelling-up challenge set down by Government. We are proud to have our Head Office in the North East of England and operate from other sites across the country, which means we are well placed to deliver services at a national and regional level.

Our three-year rolling strategy is refreshed annually and continues to support delivery of the NHS Long Term Plan, Health and Care Bill and other national agenda's and priorities.

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

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



Primary Care Services

- NHS prescriptions in England that are dispensed in Primary Care.
- NHS Dental Services – providing a range of services to over 25,000 NHS contracted dentists who provide NHS dental services across England and Wales.
- Provider Assurance – an end to end national assurance service that facilitates effective management of contracts and activity delivered under those contracts.
- Scanning Services – a solution that delivers monetary savings and reduces the need for physical storage through cloud solutions.

Citizen Services

- NHS Help with Health Costs – supporting patients and customers to gain help with costs associated with health care through our exemptions offering.
- Overseas Healthcare Services – administering registrations and claims for visitors, movers and those requiring planned treatment abroad, as well as managing the Global Health Insurance Card scheme (GHIC).
- Customer and Contact Services – resolving millions of customer queries quickly and first time across multiple call streams.
- England Infected Blood Support Scheme – providing ex-gratia support to people and families affected by infected blood products.
- Exemption Checking Services – helping patients access help with health costs which they are entitled to and reducing loss through fraud and error through incorrect exemption claims.
- Student Services – providing financial advice and support to healthcare students.
- Healthy Food Schemes – helping eligible families with young children to buy basic foods e.g. fresh fruit and vegetables to help them get the best start in life.

NHS Workforce Services

- NHS Pensions – administering the NHS Pension scheme for members, employers and pensioners.
- NHS Jobs – the online recruitment service for the NHS in England and Wales.
- HR Shared Services – a shared human resources and learning service for the NHS and wider health and care system.
- Electronic Staff Record (ESR) – an integrated workforce solution provided to NHS organisations in England and Wales including recruitment, HR, Payroll and learning capabilities.
- Optimisation Team – supporting NHS organisations to get the best use from our platforms.

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



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

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

Our Strategic Goals and Big Ambitions for 2021-22

Our six strategic goals bring our purpose and vision to life, explaining what we aim to achieve. They underpin how we deliver our strategy and our ambitions.

Customer – we actively seek feedback from and listen to our customers to enable us to design and deliver brilliant business in a way that best meets their needs. Our customers are at the heart of what we do.

Our People – we enable our people to be their best by creating a fantastic colleague experience, providing ongoing development opportunities with an eye to future needs and being a great inclusive place to work.

Social Impact – we work with partners to better understand and respond to growing challenges of health inequality and sustainability, using our systems, services and data insight to have a positive impact and help create better health and care for the wider population. We also invest in and support our local communities and local economies as well as working towards minimising our environmental impact.

Value – we create value for our customers and stakeholders in the outcomes we deliver, in helping them meet their needs and we generate efficiency across the health and care system to provide better health and care outcomes and better taxpayer value. We are the NHS, delivering for the NHS.

Ambition – we understand the changing landscape and we seek to innovate to improve our services and make better use of our rich data, sharing our expertise and joining up with health and care systems to help drive NHS prevention, workforce and population health objectives. Through delivering new services, we continue to support the health and care system to have the staff and services it needs and help people to live longer and healthier lives.

Pandemic Support – we will support national, regional and local efforts in times of challenge and crisis by using our skills and expertise to develop and deliver services to meet the needs of our colleagues and population of the UK.

During 2021/22 we identified five key areas of focus where we could develop and provide support and drive further change within the wider system and we called these our big ambitions.

Supporting the health and care workforce – Our ambition is to support the delivery of the national people agenda through effective recruitment, retention and workforce planning, building on our national platforms. Through our partnership work with NHS England and Improvement and other key stakeholders, we will improve and transform our solutions so that they are easier to use, reduce administrative bureaucracy and increase integration with wider workforce systems. This will support employee and employer journeys, embrace the NHS People Plan and help to make the health and care sector the best place to work.

Developing our Population Health offering – Our ambition is to use our capabilities and expertise in collaboration with our health partners including the new Integrated Care Systems to improve the health, wellbeing and outcomes for patients and people across the UK, in line with the Government's recent White Paper.

Developing our Provider Assurance Networks – Our national Provider Assurance Service manages the effective performance and contracts for primary care providers on behalf of NHS England and Improvement and other clients. Our ambition is to expand this into other areas for example integrated care networks, which will help ensure a high-quality service for patients.

Preventing Fraud, Error and Waste – We are committed to safeguarding public funds and our aim is to design out the risk of loss and fraud within the NHS and where applicable, the wider health and care system.

Supporting Health and Care Transformation – This is a new Big Ambition this year. COVID-19 accelerated organisations coming together to address the critical issues we faced collectively and the NHSBSA were a key organisation in many collaborations. We recognise that we offer a vast range of services and solutions to individuals, to providers and to the wider workforce and we learnt that we create greater value and efficiencies by sharing our expertise and knowledge. Whilst we have engaged in this activity on an ad hoc basis, we believe that through offering our skills and capabilities, we can collaborate further in order to support the evolution of the whole health and care system for the benefit of the health of the nation as recently outlined in the White Paper, Integration and Innovation: working together to improve health and social care for all.

1.1.3 Our key risks and issues

Our key risks and issues are as follows:

- COVID-19/Pandemic
- Delivery of Change
- Funding
- Colleague Recruitment and Retention for Service Delivery
- Information Security
- Public Sector Pensions Ruling
- Suitability of Directions
- Serious Shortage Protocols
- Asset Management.

A summary of our key risks and issues is given in our Annual Governance Statement in section 2.1.3.

1.1.4 Performance summary

Throughout the year we were recognised with fourteen awards and accreditations including:



Best Companies Two Star Accreditation for outstanding workplace engagement, along with being a **Top 5 Best Not-For-Profit Organisation** and a **Top 25 Best Big Company To Work For in the UK**.

Stonewall Top 100 Employers 5th place and Gold Award Employer status



enei GOLD STANDARD and the top performing organisation in the enei (Employers Network for Equality and Inclusion) 2021 TIDE (Talent, Inclusion and Diversity Evaluation)



North East
Better Health
at Work Award
Maintaining Excellence

Ambassador Status in the Better Health at Work Awards

Delivering on our brilliant business

The year 2021/22 has been a time of continued change and challenge for the NHSBSA and wider system, caused in part by the COVID-19 pandemic, and the onboarding and transformation of key services to support the population health agenda.

Despite the challenging environment, we performed well in a number of key areas:

- Increased the number of customer payments being made on time and accurately to over 99.99% with volume exceeding 61 million.
- Delivered £253m of wider system efficiencies against a target of £158.5m, a total of circa £2bn savings since 2014.
- Maintained customer service levels despite recruitment pressures, increased demand on existing services and the onboarding of three new services as well as continuing to deliver 24 COVID-19 services.
- Achieved Two Star status in the Best Companies Index for the second consecutive year, increasing our overall score to 708 from 700.2. In March 2022 we were ranked fourth in the Big Companies to work for category, an increase of 13 places, and secured top place in the Not-for-Profit category.

New services

As well as continuing to operate 24 COVID-19 related services which we stood up during the pandemic and to support our aim to be the 'delivery partner of choice' we commenced planned onboarding and delivery of three new services:

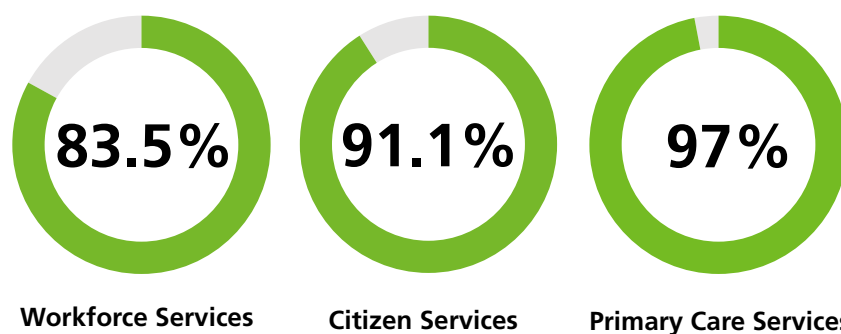
1. **NHS Healthy Food Scheme** – The Healthy Food Scheme provides help to those in England and Wales who qualify for support to buy healthy foods and vitamins to aid their children's development. The NHSBSA are transitioning the service from paper-based vouchers to payment cards, and through targeted communications have increased the reach of the scheme to successfully grow the number of beneficiaries. We invited over 500,000 beneficiaries using paper vouchers to apply, and over 300,000 households joined the payment card scheme of which over 100,000 were new applicants.
2. **Vaccine Damage Payment Scheme** – The Vaccine Damage Payment Scheme provides a one-off, tax-free payment to successful applicants where, on very rare occasions, vaccination has caused severe disablement. The service has been operational since Autumn 2021 and has more than 1,500 live claims of which the majority are related to COVID-19 vaccinations. Assessments of claims went live in May 2022.
3. **UK Global Health Insurance Card** – The Government officially announced the UK Global Health Insurance Card (GHIC) in January this year. Since then, Overseas Healthcare Services and the digital team in NHSBSA developed the portal which allows individuals to apply online for the UK GHIC and UK European Health Insurance Cards (EHICs) healthcare entitlements. GHICs will gradually replace EHICs.

Our business performance

Despite the additional pressures caused by difficulties in recruitment and retention, increased absence and the additional demands related to onboarding and delivering three new services, overall we performed extremely well. This is evidenced by the proportion of KPIs which met or exceeded target, 90.3% at the end of 2021/22.

Workforce Services had a greater proportion of KPIs meeting or exceeding target when compared to 2020/21. They have increased by 2.6 percentage points from 80.9% to 83.5%.

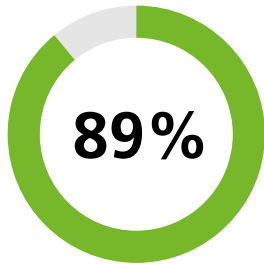
Both Citizen Services and Primary Care Services saw performance slightly decrease, Primary Care Services by 0.7 of a percentage point and Citizen Services by 6.6 percentage points, reflecting the impact of Healthy Start uptake on contact centre demand. Performance for both directorates continued to exceed 90%.



Delivering our business plan

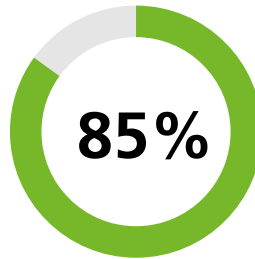
In the 2021/22 business plan we committed to not only delivering **six strategic goals** and **five big ambitions** but to also deliver **12 additional key activities**.

Overall **85%** of commitments were achieved or progressed:



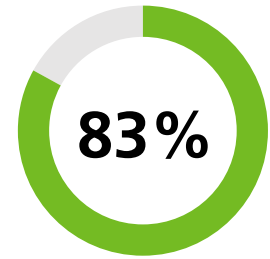
Strategic goals

89% completed or progressed



Big ambitions

85% completed or progressed



Key activities

83% completed or progressed

A further **7.5%** of commitments were withdrawn and closed at the request of our sponsors and commissioners.

Achieving our strategic goals

Our strategic goals are what bring our purpose 'a catalyst for better health' and our vision 'delivery partner of choice' together and underpin how we report on our delivery. Within our 2021/22 business plan we committed to delivering **18 strategic measures** relating to our strategic goals. Ten of these have been achieved, four have been partially achieved and two are ongoing. Two strategic measures have not been achieved.

Measurements not achieved - 11%

-  1 Social Impact
-  1 People

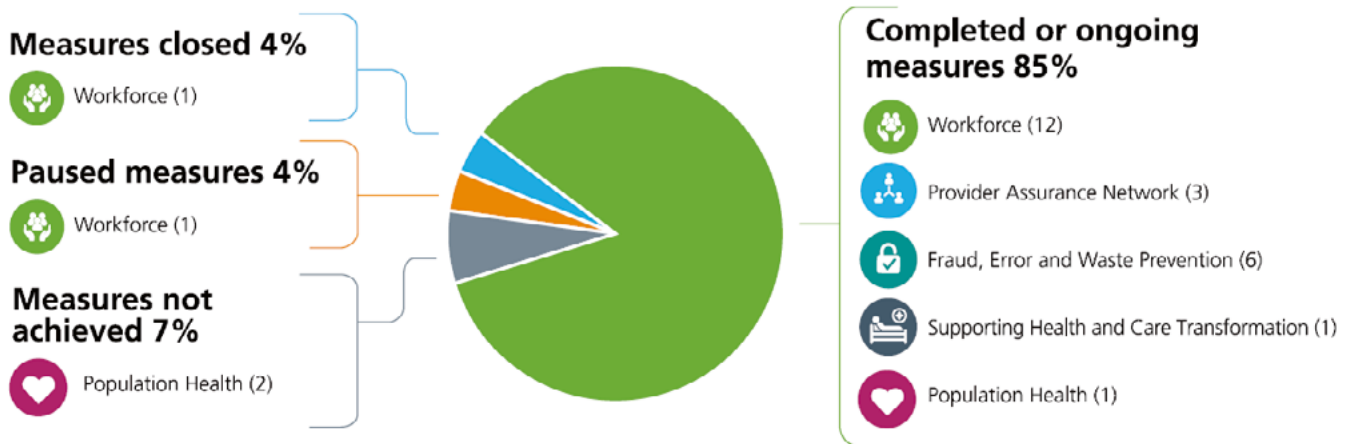


Completed or ongoing measures - 89%

-  4 Customer
-  3 People
-  2 Social Impact
-  3 Value
-  1 Ambition
-  3 Pandemic Support

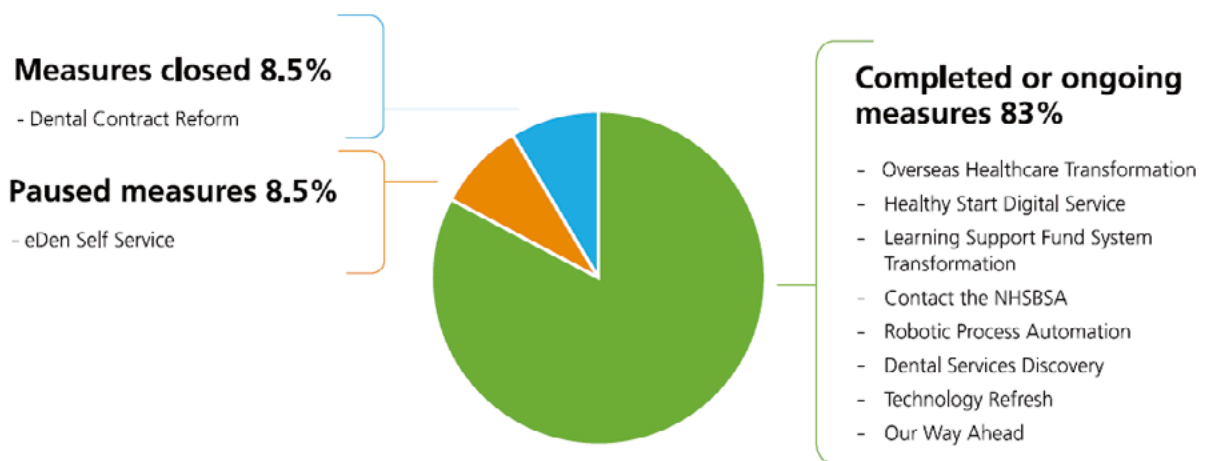
Realising our big ambitions

Our strategy for 2021-24 outlined our five areas of focus, known as our big ambitions, which not only aligned to the NHS Long Term Plan and the Secretary of State priorities but also aimed to build on our existing capabilities. Across the five ambitions (Workforce, Provider Assurance Networks, Fraud, Error and Waste Prevention, Supporting Health and Care Transformation and Population Health) we committed to **27 actions** of which 15 have been achieved, eight are ongoing, one has been paused due to other priorities, one has been closed at the request of the commissioning entity and two have not been achieved.



Key activities

To enable us to continue to deliver our brilliant business, we made a commitment to undertake 10 key activities.



1.2 Performance analysis

1.2.1 How we measure performance

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

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

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

In addition, the Leadership Team and Board also receive reports that provide a deeper review of performance in specific business areas as-and-when appropriate and an End of Year Report.

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 NHS Act 2006 and in a format instructed by the DHSC with the approval of HM Treasury.

Our accounts for 2021/22 have been prepared in accordance with DHSC Group Accounting Manual 2021/22 (GAM) and comply with HM Treasury's Government Financial Reporting Manual 2021/22 (FReM). The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. They comprise a Statement of Financial Position, Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers Equity, all with related notes.

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

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

Financial performance 2021/22

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

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

Table 1: Financial target performance 2021/22		
Funding stream	Limit £m	Achieved
Administration Revenue DEL		
Non Ring-Fenced	64.4	✓
Ring-Fenced	18.0	✓
Programme Revenue DEL		
Non Ring-Fenced	76.5	✓
Ring-Fenced	15.8	✓
Capital expenditure	42.5	✓ ✓

Note: DEL – Departmental Expenditure Limits.

Better Payments Practice Code

We are required to report our performance against the Better Payments Practice Code, which requires non-NHS trade creditors to be paid within 30 days or agreed terms. Our performance against this target for 2021/22 is detailed in Table 2 below.

Table 2: Better Payments Practice Code performance 2021/22 (2020/21)	Number	Value £m
Total non-NHS trade invoices paid	8,898 (10,277)	164.8 (182.0)
Total non-NHS trade invoices paid within target	8,506 (9,668)	157.4 (168.2)
Percentage of non-NHS trade invoices paid within target	96% (94%)	96% (92%)

Future financial targets

Background

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

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

NHSBSA creates significant savings for other parts of the health and care system (£261.9m in 2021/22). This was achieved whilst delivering £5.0m efficiency savings against NHSBSA operating budgets within the financial year 2021/22. The 3 main categories of expenditure where these savings were delivered are:

- Staff Costs: £2m delivered through tighter controls around temporary and agency staff and predicted vacancy factor.
- Supplier Sourcing and Management: £2m delivered through review and negotiating 3rd party contracts.
- Productivity: £1m delivered through a review of service levels and KPI's.

During early 2022 we received confirmation of our baseline funding for SR21 which enabled us to develop plans outlined by the organisation.

Financial Planning – Our Approach

After successfully delivering efficiencies throughout 2021, the NHSBSA Financial Plan for 2022/23 focused on securing the required financial resources to sustainably deliver services we are directed to provide and secure the resulting savings for the health and care system. To this end, we are working closely with HM Treasury who are supporting us to implement their Public Value Framework across the NHSBSA. We believe that the success of this will ensure opportunities for greater efficiencies to help us meet future financial challenges. We are also seeking learnings and sharing ideas by working with other organisations who are implementing the Public Value Framework e.g. House of Commons and UK Government Investments (UKGI).

We maintain a relentless focus on efficiency and effectiveness and delivering Taxpayer Value and continue to undertake excellent engagement with stakeholders to ensure we help develop and drive improvements to the health system; a number of these projects receive direct funding linked to other NHS organisation's strategic ambitions.

Revenue Expenditure Plans

We have agreed Revenue and Capital funding with DHSC sufficient to meet our planned net expenditure for 2022/23.

Pension costs for current staff

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

Hosted services

We provide a range of hosted financial, payroll and HR services to other NHS organisations and DHSC teams. The costs that we incur in providing these services (primarily staff costs) have been included within our operating expenditure, as has the total income contributions received from these organisations to cover costs. For 2021/22 the income received from hosted and managed services was £3.5 million.

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

Auditor

The Comptroller and Auditor General is appointed by statute to audit the NHSBSA. The audit fee for the year ended 31 March 2022 of £250k is for the audit of these accounts. An additional notional fee of £120k relates to the audit of the NHS Pension Scheme accounts.

1.2.3 Corporate Responsibility

Background

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

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

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

Health and safety

During 2021/22 the NHSBSA had one case which needed to be reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). This number of reportable events is very low for a business of our type and size, when compared to published HSE figures. We believe that this is a result of our proactive approach to health and safety, ensuring all our people are involved, supported and understand their role in how we look after ourselves and those around us.

We have delivered all of the actions set out in our 2021/22 Health and Safety Action Plan, with a principle focus on supporting our colleagues and the business through the COVID-19 pandemic. Looking after our people has been first and foremost during this time, and the skills and knowledge of our health and safety experts has proved invaluable in ensuring the correct guidance and advice has been created, communicated and implemented.

2021/22 saw the second and last year of legal and other restrictions relating to the COVID-19 pandemic. With over 90% of our employees being enabled to work from home during the first year of the pandemic, this arrangement largely remained the same across the second year. The SHE Team continued to work with the NHSBSA Technology Team and an in-house national distribution group to assess staff requirements and deliver items of equipment to employees to enable them to maintain working effectively and safely from home, as well as accommodating the needs of new starters and leavers within the business.

Controls were maintained for staff that were required to remain in our premises to maintain business critical services, which included:

- Establishment and coordination of weekly COVID-19 testing for colleagues attending sites.
- Health and Safety guidance provided to NHSBSA Tactical Steering and Our Way Ahead Groups.
- COVID-19 Vulnerability Risk Assessment/Building Occupancy Management.
- COVID-Secure Building Assessments and ongoing review with our Estates Team.
- Ongoing review of Policy/Procedure production and rollout on unique areas e.g. pregnant workers, vehicle use, face coverings, first aid response etc.

- Electronic assessment of Homeworking and Display Screen Equipment (DSE) via an internally developed App replacing the previous e-learning module and paper forms.

Environment (including HM Treasury Sustainability Report)

Each year the NHSBSA sets its own environmental targets and an action plan aligned to its key impacts and the Greening Government Commitments (GGC). A full data set can be seen in Appendix 1 – Sustainability Report. A summary of our progress against our targets is shown in Table 3 below.

Table 3: Environment and resource efficiency targets and performance (Note: Targets – by the end of 2021/22, on 2017/18 baseline)	
Target	2021/22 performance
35% reduction in greenhouse gas emissions	44.7%
40% reduction in water consumption	60.9%
30% reduction in waste generated	40.8%
Less than 5% of operational waste to landfill	0%
45% reduction in office paper use	55.9%

Environment Strategy 2022-25

A new Environment Strategy has been written to reflect the increasing ambition and priority of environmental improvement at the NHSBSA. The strategy has been informed by industry best practice, requirements of mandatory Government policy and in consultation with key internal and external stakeholders.

Climate emergency

On 23 September 2020 the NHSBSA declared a climate emergency to recognise the risk posed by global warming and climate change. Throughout 2021/22 we have laid important foundations to build upon in the coming years. Our activity has continued to be overseen by the Environment Committee which has met on a quarterly basis and is chaired by our Chief Executive and attended by senior management. Furthermore, we have engaged stakeholders and have taken into account internal and external priorities to develop a longer-term ambitious Environment Strategy 2022-25 which will be launched during 2022/23 to support the delivery of the NHSBSA’s new corporate goal of ‘Environmental Sustainability’, also developed throughout 2021/22. We have also further engaged and supported our colleagues and leaders on climate action through the launch of a Climate Action Toolkit and bespoke environmental awareness sessions.

Established Net Zero by 2030

Throughout 2021/22 we developed an estates carbon management plan supported by a Carbon Management Working Group to develop and oversee carbon reduction projects across our estate. Throughout 2021/22 we have worked closely alongside our suppliers to further develop, design, and cost a range of energy efficiency and renewable energy schemes that support our transition to Net Zero, including LED lighting schemes, solar photovoltaics and additional electric vehicle charging. The development of this suite of schemes enables delivery of projects during 2022/23.

It should be noted during 2021/22 there has not been a reduction in the direct greenhouse gas emissions from our estate and operations from a 2017/18 baseline. This can be accounted for by

staff returning to work in our offices. To ensure fresh air was circulated around offices, a response to ongoing COVID-19 outbreaks, an open window policy was put in place. As a result, the heating systems within buildings were working harder and for longer periods of time to achieve a comfortable temperature for staff within the estate. The open window policy is no longer in operation, and it is expected that our direct emissions will reduce closer to levels previously seen for the following financial year.

Travel is an important part of reaching our Net Zero target. This is demonstrated by our fleet which is 75.9% ULEV and 59.7% ZEV with a plan to convert our entire fleet. During 2021/22 no flights were taken resulting in a 100% reduction on domestic flights from a 2017/18 baseline and 0km travelled by international flights. Our travel policy has been updated to align with these changes.

Environment Committee

The Committee is chaired by our Chief Executive and attended by senior management representing all areas of our business. The Committee oversees and makes decisions relating to our environmental sustainability agenda.

Environmental Management System (ISO 14001:2015)

We successfully maintained our externally audited, business-wide Environment Management System during 2021/22. The operation of this standard has many benefits, such as helping us to ensure that we are legally compliant and continue to improve our environmental performance. The standard is also valued by our external customers and clients and demonstrates our commitment to environmental issues.

National Environment Network

Throughout 2021/22 our Network continued to engage with colleagues across the business through developing and running awareness campaigns on different environmental topics. Although the COVID-19 pandemic curtailed group activities, the Network continued their engagement activity adopting new ways of working, including the production of interactive guides on reducing water and energy wastage at home, and supported World Wildlife Day.

Communications and engagement

Throughout the year we have continued to engage the business on our environment commitments and compliance obligations. This year we have developed an identity and new branding for our environment programme to accompany all our environmental communications. Through the branding we aim to inspire and motivate staff to become more involved.

We continue to utilise new communications platforms such as a new Intranet and an Environment Network community on our internal social media to engage and interact with our colleagues. Many of the channels we use to engage colleagues now allow for two-way communication where colleagues can respond, share best practice and ask questions.

Biodiversity survey

The NHSBSA does not require a Nature Recovery Plan, however using the biodiversity survey completed at our Stella House and Greenfinch Way sites, we have developed a biodiversity plan which sets clear direction for the improvements we intend to make across each of these facilities. We have continued to assess and expand our knowledge of opportunities to support biodiversity across our estate through the completion of a biodiversity survey at Hesketh House.

Minimising waste, promoting resource efficiency and ICT

Prior to COVID-19, across our estate we had eliminated the use of plastic cutlery, stirrer, plastic cups for cold drinks and swapped plastic food bags for paper bags. During 2021/22 as colleagues returned to the office there was an uptake in single use products due to COVID-19 protective measures. During 2022/23 this will be addressed as we continue to move towards removing consumer single use plastic (CSUP) from our estate. We will work collaboratively with our FM partner who also procure all foods and drinks as part of a single joined up catering service across our estate.

In 2021/22 we began a rolling technology refresh, upgrading laptops, ultra-form factor desktops and monitors across the business when needed. We identified the opportunity to reuse equipment to support our staff to work from home. This aligns with our adoption of the Greening Government: ICT & Digital Service Strategy and annual reporting to the Sustainable Technology Advice & Reporting team. This reporting has been a collaborative approach between the Environment and Technology team. As this is the first year of reporting our focus has been working with our suppliers to collect data and embedding the strategy targets into our business practice.

Digitisation of our services

As part of our core business strategy, we are continuing to modernise and improve how we deliver our services. We are engaging with our customers and clients to improve the delivery of many of our services including those currently delivered using paper-based forms and admin-heavy processes. We have continued to develop and transform our services and continue to drive uptake of our digital services to remove waste and paper consumption at source. For example, we continued to engage with NHS organisations to encourage uptake of electronic payslips and throughout 2021/22 we reached over two million NHS employees receiving electronic payslips through ESR; reducing the number of paper payslips we issue. Also, within our Help with Health Costs service, we have prevented over 2 million plastic cards from being issued by providing digital and paper-based alternatives.

Sustainable procurement

Alongside the use of both Government Buying Standard and the Timber Procurement Policy, as of January 2021, the NHSBSA were required to explicitly consider Social Value in procurements and allocate a minimum of a 10% weighting of the scoring to Social Value.

The guidance references “fighting climate change” as a theme within the new Social Value Model. The SHE/Commercial Services team continue to assess procurements and introduce requirements and targets for suppliers to improve their environmental performance in accordance with the Model.

The Model guidance also refers to social value as being a “Golden Thread” throughout project management and business cases. The SHE/Project Management team are currently reviewing the project management process with the aim of improving how we consider and identify environmental impacts and improvements in-line with our net zero ambitions and government mandates.

As of September 2021, the Carbon Reduction Plans in the procurement of major government contracts Public Procurement Note (PPN) came into effect. This PPN requires suppliers, where spend exceeds 5 million pounds per annum, to commit to working towards Net Zero by 2050 and develop a Carbon Reduction Plan aligned to a standard Government template. The supplier is required to report on progress against the Plan throughout the performance of the contract.

Over the last year there has been a much greater emphasis within Government policy and the wider health and social care system on the importance of sustainable procurement and the

added value that can be achieved through encouraging and mandating suppliers to improve their environmental performance.

The first NHSBSA supply chain engagement event was held in 2021/22 with 40 people in attendance. The event focused on driving environmental improvements throughout our supply chain and provided an opportunity to consult with key suppliers to understand supplier maturity with respect to environment and gain feedback on our environment supplier framework which is in development. Our first carbon footprint of the goods and services we procure has been completed and is currently being analysed. This is a significant step forward to better understand supply chain environmental impacts. The SHE/Commercial Team continue to develop our Sustainable Procurement Plan which brings together and implements the requirements of the Social Value and Carbon Reduction PPNs, the procurement aspects of the new GGC scheme and industry best practice.

Achieved the Chartered Institute of Procurement and Supply (CIPS) Ethical Procurement Kitemark

Across 2021/22 the NHSBSA Commercial Services Team have maintained the CIPS Ethical Procurement Kitemark and ethical practice accreditation. This places us on the CIPS Global Register of Ethical Organisations.

The CIPS Corporate Ethics Mark publicly reinforces our commitment to ethical sourcing and supplier management and shows we have taken proactive steps to safeguard against unethical conduct. These have included:

- Adopting the CIPS code of ethics.
- Ensuring all colleagues in the team are trained in ethical procurement and sourcing.
- Making a public commitment to source ethically.

The Kitemark demonstrates our commitment to the integrity of our procurement and supply management practices, and ensure the correct governance is in place.

Climate change adaptation

The NHSBSA works closely with each business area to define their Business Impact Analysis and subsequent Business Continuity Plans. Part of this analysis explores any likely cause of disruption, including severe weather and flooding leading to building damage or disruption to transport links, for example. These factors are considered, and plans are tested to ensure that they are robust and that business continuity and recovery are supported.

In addition, the NHSBSA Business Continuity Team is linked into national advisory systems for early indication of severe weather forecasts to enable early planning. Our next steps will be the development of an organisational Climate Change Adaption Strategy across our estate and operations.

Further information about our environmental activity can be found in the NHSBSA Safety, Health and Environment Report

www.nhsbsa.nhs.uk/what-we-do/safety-health-and-environment

Wellbeing, Inclusion and Community Investment

Responding to a second year of the COVID-19 pandemic brought fresh challenges for our people, requiring us to think again about our ways of working and how we can best adapt to support our colleagues through further change. Our already strong focus and infrastructure on wellbeing and inclusion allowed us to be dynamic in meeting these challenges to make sure our people continued to be supported through change and are equipped to thrive. The strong sense of community and belonging is a fundamental part of what makes the NHSBSA such a great place to work, and our approach to wellbeing and inclusion is integral to that.

Our Wellbeing and Inclusion Networks have continued to support all colleagues across the organisation using technology to deliver more events to more colleagues than ever before. This includes our innovative We CARE cafes, identified as best practice by the CIPD (Chartered Institute of Personnel and Development), the use of Yammer and MS Teams to connect people, run campaigns in a fresh and vibrant way, provide protected spaces for diverse groups and various wellbeing and inclusion initiatives to support the continued physical and mental wellbeing of all colleagues.

The networks have risen to the challenge of providing support for colleagues during this past year of change whilst advancing the wellbeing and inclusion agenda across the organisation, delivering a wide ranging programme of events. Our four lived experience colleague networks; BAME, Disability and Neurodiversity, LGBTQ+ and Women have enabled a constant focus on the equality groups disproportionately affected by the pandemic. This was recognised by our BAME Network being nominated for 'Network of the Year' at the annual enei (Employers Network for Equality and Inclusion) Awards for their work on BAME inclusive recruitment and our LGBTQ+ Network being highly commended by Stonewall in their Workplace Equality Index. Our Domestic Abuse Support, Mental Health First Aid, Menopause Champions and Wellbeing Networks have provided comprehensive support for colleagues.

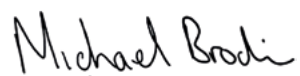
As part of our commitment to inclusion and social value we have continued reaching out to the communities we serve and recruit from. We've offered support to those in our communities who are often marginalised and left behind in society. We have done this by fundraising, sponsorship and creating links with external networks and organisations.

We have continued to have our performance externally assessed in benchmarking and accreditation schemes including; enei's TIDE (Talent, Inclusion and Diversity Evaluation) and Stonewall's Workplace Equality Index. This helps us understand our current performance and how we can continue improving. In 2021/22 we were delighted to be awarded the Gold Standard by enei in TIDE for the fourth year running, in recognition of our performance on diversity and inclusion, and were ranked 1st out of 113 European organisations participating. We also achieved 5th place in Stonewall's Workplace Equality Index out of 403 participating organisations, which was a fantastic increase of 46 places on our previous submission. We were the highest ranked NHS organisation in the Index and were also awarded Gold Employer status by Stonewall in recognition of our LGBTQ+ inclusive workplace policies, practices and culture. In addition, we also maintained our Ambassador status in the annual Better Health at Work Awards, in recognition of our wellbeing offer for colleagues and the wide-ranging and proactive support in place.

Over 2021/22 we:

- Ensured wellbeing and inclusion considerations were a fundamental part of our People response to the pandemic by continually listening and responding to the different needs of our diverse colleagues
- Continued to support colleagues from different equality groups, providing them with protected safe spaces to connect and support one another
- Retained our 'Gold Standard Employer' status in enei's TIDE benchmark for the 4th year running and were ranked 1st out of 113 organisations
- Ranked 5th out of 403 other organisations in Stonewall's Top 100 Employers index and were the highest ranked NHS organisation
- Awarded Gold Employer status by Stonewall in recognition of our LGBTQ+ inclusive workplace policies, practices and culture
- Awarded 'Ambassador' status by the Better Health at Work Awards, for our wellbeing offer
- Provided awareness, learning and support by delivering 20 inclusion events, 64 We CARE cafes and 51 wellbeing awareness sessions provided virtual wellbeing sessions for colleagues including mindfulness, mind management, yoga and good sleep hygiene, delivered by external experts
- Increased wellbeing and inclusion network visibility and colleague engagement with network activities, with all networks delivering an amazing programme of awareness campaigns and events which more colleagues than ever before engaged with
- Developed and introduced our bespoke Reciprocal Mentoring for Inclusion Programme, a mentoring partnership based on providing learning and development to both partners, to increase knowledge, skill and to achieve our aims relating to inclusion
- Reviewed our network co-chair model to make sure our co-chairs have the skills, knowledge and opportunities to help their networks thrive and build their own personal development
- Continued our Shadow Board initiative, a development opportunity for colleagues who aspire to director level positions, with reserved seats for colleagues who identify as BAME, disabled and neurodiverse, LGBTQ+ and women, who also co-chair our lived experience networks. Each Shadow Board member is also sponsored by a Leadership Team member
- Continued delivery of our race inclusion plan in partnership with our BAME Network, with specific focus on increasing diversity within recruitment, building leadership capability on race, and improving our performance on metrics in the NHS Workforce Race Equality Standard
- Introduced gender and ethnicity diversification of recruitment panels, which requires all panels to be gender balanced and all panels for senior roles to have an ethnicity balance
- Piloted and rolled out our 'Let's Talk About Race' programme of e-learning and facilitated team conversations to support learning around race inclusion
- Developed leadership competence and confidence around disability and mental health through continued delivery of our bespoke programme for all managers
- Published our Gender Pay Gap report and continued to progress supporting actions aimed at reducing our gender pay gap and increasing the representation of women in senior leadership roles, including piloting a bespoke development programme for female colleagues, in partnership with our Women's Network
- Continued to support LGBTQ+ equality groups and communities by attending and supporting Pride events and sponsorship of Pride Radio and Gaydio for LGBT History Month
- Expanded our support for colleagues around menopause by training more colleagues to be Menopause Champions, training managers and running regular menopause cafes.

Further information including how we have due regard to the Public Sector Equality Duty, our workforce demographics, and specific objectives we have set ourselves in relation to these, is available in our [Diversity and Inclusion Annual Report](#).



Michael Brodie

Chief Executive

NHS Business Services Authority

6 July 2023

2. Accountability report

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

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

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

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

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



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 Table 4. No company directorships or significant interests were held by the Board members which may conflict with their management responsibilities.

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

Communications, Engagement and Consultation – Communications, Engagement and Consultation – We regularly communicate and engage with our people through several internal communications channels. Our corporate intranet, My Hub, is a central information portal for our colleagues. It provides news, information, and updates about all our service areas along with updates from board meetings and key diary dates. Our chief executive also has a regular blog, which has received a very positive response from colleagues across the organisation.

In the first part of 2021/22, our primary focus was to continue supporting staff with information on our response, both for themselves and our customers, to the challenges presented by COVID-19 and the gradual lifting of restrictions. With most colleagues working from home, our focus then changed to providing additional support, reassurance and information to all colleagues and our managers on future ways of working and return to the workplace. To support this further, our Live Q&A sessions, held monthly, allowed us to cover headline themes and then ask for questions and thoughts. These were answered in the session by the panel which always included our Chief Executive and Executive Director for People and Corporate Services.

We often want to talk to our colleagues about new ideas and initiatives. This is undertaken using a variety of methods including team meetings, subject specific workshops, online forums, etc. We work closely with the Trade Unions we recognise, discussing broad matters of common interest at our National Joint Committee, and undertaking formal consultation when needed. Other committees and groups also meet to discuss specific issues, for example health and safety, and diversity and inclusion.

2.1.2 Statement of Accounting Officer's responsibilities

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

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible, in accordance with the responsibilities set out in HM Treasury's Managing Public Money and as assigned to me in the Accounting Officer Memorandum.

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

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

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed and disclosed and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless inappropriate to presume that the NHSBSA will continue in operation
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

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

As Accounting Officer I can confirm that:

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

2.1.3 Annual Governance Statement

Introduction

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

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

Scope of responsibilities

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

It also ensures that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively in accordance with HM Treasury's Managing Public Money. In discharging this responsibility, the Board is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions. This includes ensuring a sound system of internal control is maintained throughout the year which supports the achievement of the NHSBSA's policies, aims and objectives and arrangements are in place for the management of risk.

The purpose of the Governance Framework

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

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

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

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

The governance framework and system of internal control have been in place for the year ending 31 March 2022 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 is responsible for ensuring that all decisions made are legal and comply with the NHSBSA Corporate Governance Framework. The NHSBSA complies with the

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

NHSBSA Board

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

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

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

Board membership and responsibilities

Membership of the Board is currently made up of a non-executive Chair, five non-executive directors, Chief Executive and three executive directors, one of which is a finance director. The key roles and responsibilities of the Board are:

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

The Board has met eleven times up to the end of March 2022 and is responsible for approving the business plan and budget in advance of the financial year. Subsequent reporting is based on an exception principle ensuring that the Board focuses on key issues and utilises its time effectively.

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

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

At each meeting, the Board receives an integrated balanced scorecard which includes details on:

- performance against the identified KPIs and strategic goals including critical measures
- the current financial position
- people related issues
- customer insight including satisfaction, complaints and contact volumes
- digital take up
- progress against key change projects
- business development pipeline
- corporate risks and issues.



The data presented to the Board is produced and quality assured by the NHSBSA Information Services Team adopting the six dimensions of data quality (Accuracy, Validity, Reliability, Completeness, Relevance and Timeliness).



The NHSBSA's Senior DHSC Sponsor is also invited to Board meetings to ensure members of the Board, in particular non-executive directors, are able to get an understanding of the key stakeholders' views.

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

Table 4 shows the number of meetings attended by Board members during the financial year and also highlights their declared business interests.

Table 4: Board members

Board member	Meetings attended	Register of interests
 <p>Non-executive Chair: Silla Maizey</p>	10 of 11	Non-executive director, Network Rail Director, Saffron Solutions Ltd Non-executive director, John Menzies plc. IAG, shareholder Easyjet, shareholder John Menzies, shareholder Royal Mail, shareholder Whitbread, shareholder Iberdrola, shareholder BT, shareholder FirstGroup, shareholder National Grid, shareholder Severn Trent, shareholder Stagecoach, shareholder Non-executive director, Crown Commercial Service (until 31 August 2021)
 <p>Non-executive: Debra Bailey</p>	10 of 11	Chief Information Officer, Royal Mail (from 1 March 2022) Telefonica, shareholder BT, shareholder Barclays Bank, shareholder Chief Information Officer, Telefonica UK (until 30 September 2021)
 <p>Non-executive, Chair of Remuneration and Nominations Committee, Senior Independent Director: Mark Ellerby</p>	9 of 11	Lloyds Bank, shareholder Syncona, shareholder Unilever, shareholder Vodaphone, shareholder BP, shareholder (until 12 July 2021) RDSB, shareholder (until 12 July 2021) GSK, shareholder (until 13 April 2021)

Board member		Meetings attended	Register of interests
 <p>Non-executive, Chair of Audit and Risk Management Committee: Kathryn Gillatt</p>	10 of 11	Pavegen, shareholder Severn Trent, shareholder Saga, shareholder Non-Executive Director (and Vice Chair), Trust Group Holdings Ltd (until 31 January 2022) Associate Non-Executive Director, University Hospitals Leicester NHS Trust (until 31 January 2022) Project Manager, Nottingham CityCare Partnership CIC Ltd (until 30 September 2021) Non-Executive Director, Nottingham CityCare Partnership CIC Ltd (until 31 May 2021)	
 <p>Non-executive: Karen Seth</p>	8 of 11	People Director, Canal and River Trust (from 19 July 2021) Trustee, Reuben's Retreat Trustee, Charlesworth WI People Director, Operating Model, Co-op (until 30 June 2021)	
 <p>Non-executive: Mel Tomlin</p>	11 of 11	Director and Consultant, North Star Products and Services Ltd Trustee, Rowland Hill Fund Royal Mail, shareholder	

Board member		Meetings attended	Register of interests
	<p>Chief Executive: Michael Brodie</p>	10 of 11	<p>Member of Council, Chartered Institute of Public Finance and Accountancy (CIPFA) Member of Oversight Board and Chair of Audit and Risk Committee, National Infrastructure Commission Trustee, Community Foundation – Tyne and Wear and Northumberland Chair of Sustainability Forum, Chartered Institute of Public Finance and Accountancy (CIPFA) (from 1 November 2021) Interim Chief Executive, Public Health England (until 30 September 2021) Chair of Health and Social Care Faculty Board, Chartered Institute of Public Finance and Accountancy (CIPFA) (until 31 August 2021)</p>
	<p>Executive Director of People and Corporate Services: Mark Dibble</p>	11 of 11	<p>Director, Personal Development Academy Ltd Trustee, Blue Cabin (from 1 September 2021)</p>
	<p>Executive Director of Finance, Commercial Services and Estates: Andy McKinlay</p>	11 of 11	<p>Parent Governor, Allerton Grange High School Trustee, Shadwell Recreation Centre</p>
	<p>Executive Director of Strategy, Performance, Business Development and Growth: Allison Newell</p>	10 of 11	Nothing declared

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. The results of the 2021/22 review indicated that the Board continued to be highly effective, and high scores were registered across all of the survey areas including 'Board Skills', 'Board Behaviours', 'Board Decision Making', 'Board Processes', 'Strategy' and 'Stakeholders'. The Board also recognised the continued challenges faced during 2021/22 due to the pandemic and the requirement for the Board to adopt to new ways of working, including online meetings and restrictions on site visits and other face-to-face meetings. The results and recommendations were accepted by the Board and actions taken forward, including in relation to the establishment of new working relationships with the new Chair who would start their tenure on 1 April 2022.

During 2021/22, the Board continued to operate within its governance framework and codes of conduct. Furthermore, the NHSBSA has:

- achieved its financial targets
- delivered against the majority of its agreed key performance indicators
- continued to operate its assurance process through the assurance map process
- maintained its robust performance reporting mechanism using a dashboard style approach
- maintained its risk management procedures using dashboard reporting giving an overview of the risk profile of the whole organisation yet focusing attention on relevant areas
- maintained an effective, risk-based internal audit programme, ensuring internal audit recommendations are addressed appropriately.

Audit and Risk Management Committee

The Committee is chaired by a non-executive director and has met seven times during 2021/22. 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 provided this experience from 1 April 2021 and became Chair of the Committee from this date. There is also a requirement for regular attendance from the Director of Finance and Commercial Services 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 5).

Table 5: Audit and Risk Management Committee	Meetings attended
Non-executive directors:	
Kathryn Gillatt (Chair of Committee)	7 of 7
Debra Bailey	6 of 7
Mel Tomlin	7 of 7
Executive directors:	
Michael Brodie (Chief Executive)	7 of 7
Mark Dibble (Executive Director of People and Corporate Services)	7 of 7
Andy McKinlay (Executive Director of Finance, Commercial Services and Estates)	7 of 7

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

Updates are provided to the Board following each meeting and subsequent Board meetings receive copies of the confirmed minutes. An annual report is submitted to the Board which summarises the work undertaken by the Committee during the previous year. In addition, the Committee receives an annual review of the NHSBSA Risk Management Framework, and this concluded that the framework was effective and fit-for-purpose.

The Audit and Risk Management Committee's key responsibilities 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 and security management
- seeking assurance regarding the control environment
- 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 sent to each member and regular attendee. Overall, the results were highly positive and confirmed the continued effectiveness of the Committee.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a standing committee of the Board and comprises three non-executive directors, one of whom chairs the Committee. The Chief Executive and/or other executive directors attend these meetings on an 'as required' basis (Table 6).

Table 6: Remuneration and Nominations Committee	Meetings attended
Non-executive directors:	
Mark Ellerby (Chair of Committee)	3 of 3
Silla Maizey (Chair of Board)	3 of 3
Karen Seth	3 of 3
Executive directors (specific meetings/items):	
Michael Brodie (Chief Executive)	3 of 3
Mark Dibble (Director of People and Corporate Services)	3 of 3

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

- determine the terms of service, remuneration and other benefits of the executive team and any other relevant employees, in accordance with the NHS Executive and Senior Managers Pay Framework and other relevant guidance issued by DHSC
- monitor systems to evaluate the performance of relevant employees
- oversee contractual arrangements for relevant employees
- nominate candidates for appointment as officer members of the Board
- monitor succession planning arrangements
- support the process operated by the 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. The Committee also reviews and approves the Remuneration Report of the Annual Report to ensure its accuracy.

Remuneration and Nominations Committee review of effectiveness

The Committee reviewed its effectiveness during 2021/22 using a survey sent to each member and regular attendee. Overall, the results were positive and confirmed the effectiveness of the Committee. The Committee members highlighted ways in which succession planning within the organisation could be more closely reviewed and monitored.

Terms of Reference

The full terms of reference for both of these Committees can be found in the NHSBSA's Corporate Governance Framework which is published on the NHSBSA website: www.nhsbsa.nhs.uk/our-policies/governance-framework

NHSBSA sponsorship arrangements

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

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

NHSBSA management

Other than those matters reserved for the Board, responsibility for the day-to-day management of the NHSBSA is delegated to the Chief Executive, who is the Accounting Officer. The Chief Executive is supported by a Leadership Team as shown in Figure 2.

Figure 2: NHSBSA Leadership Team

<p>Director of Primary Care Services Providing payments, support and assurance across primary care services.</p>	<p>NHS Dental Services NHS Prescription Services Provider Assurance Scanning Services</p>
<p>Director of Citizen Services Delivering a wide range of contact, support, signposting and other essential services to the population of the UK.</p>	<p>Customer Operations Exemption Services Health & Community Services Overseas Healthcare Services Student Services</p>
<p>Director of NHS Workforce Services Providing workforce services across the NHS and wider system, enabling our customers to maximise the benefits from the use of our workforce solution.</p>	<p>NHS Pensions HR Shared Services NHS Jobs Electronic Staff Record (ESR) Workforce Service Optimisation</p>
<p>Executive Director of Finance, Commercial and Estates Financial, Commercial and Estates strategy, planning, management, operations, compliance and reporting. Loss and fraud prevention. Strategic sourcing including supplier management, procurement and contract management.</p>	<p>Strategic Finance and Reporting Financial Operations Loss and Fraud Prevention Commercial Services Estates and Facilities Management</p>
<p>Executive Director of Strategy, Performance, Business Development and Growth Leading on the strategic direction of the organisation, providing assurance to our Board and Sponsors, identifying opportunities for driving and improving customer experience and innovation.</p>	<p>Strategy, Planning and Performance Partnership and Opportunity Development Business Innovation and Customer Experience Professional and Clinical Services</p>
<p>Executive Director of People and Corporate Services Enabling our people to be their best and creating a great inclusive environment. Delivering professional services to advise, govern and transform the business as well as manage its reputation.</p>	<p>People Communications and Marketing Governance, Risk and Assurance Safety, Health and Environment Information Governance and Security Change and Project Delivery</p>
<p>Chief Technology Officer Design, specify, deliver, manage and support technology platforms, services and solutions that empower our business services.</p>	<p>Technology Applications Technology Governance Technology Operations Technology Service Integration and Management</p>
<p>Chief Digital and Data Officer Providing digital transformation based around user experience, whilst making the most of the data we manage.</p>	<p>Digital Transformation – end to end User Experience, User Research and service Design Digital Application Development and Continuous Improvement Customer Insight External Information Services Business Intelligence and Data Warehousing Data Science Official Statistics Producer and Data Provider Data Strategy and Governance</p>

Note: Only the Chief Executive and Executive Directors are members of the Board.

Key governance systems

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

- Risk management.
- Assurance.
- Managing information.

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

Risk management

Risk appetite – Risk appetite can be defined as the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives. The NHSBSA Board reviewed and agreed the organisation's Risk Appetite Statement in February 2021 and March 2022, setting appetite levels for key areas. The NHSBSA's aim is to seek to terminate, treat, tolerate or transfer risks as appropriate to ensure that it meets its objectives.

Process – The NHSBSA Risk Management Framework comprises:

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

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

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

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

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

Significant risks and issues

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

Risks and issues managed and closed in year (2021/22)

IR35 Compliance

Following a review by HMRC to determine whether the NHSBSA had correctly applied IR35 regulations with regards to contractors, and in light of other DHSC bodies going through the same process and agreeing a settlement, the NHSBSA agreed a settlement approach during 2021/22. The business has also reviewed and updated its processes to ensure correct assessment of IR35 rule moving forward.

COVID-19 (Note: Closed as issue and raised as risk)

COVID-19 was transferred from being a corporate issue, to being a corporate risk in March 2022. This decision was made as the business continued successful delivery of its services. This was made possible through the

roll-out of technology, DSE equipment and the implementation of other hybrid working policies and practices, and the work to ensure the safety of colleagues working in our premises, which has enabled business continuity during peaks in the virus and enforced national controls.

Risks and issues – 2021/22

COVID-19/Pandemic

As highlighted above, following the closure of the COVID-19 Issue, the Leadership Team agreed to monitor the risks posed in the event of either a resurgence of COVID-19 or another pandemic event. The business continuity measures introduced during the last two years have increased the business's resilience and readiness for such future events, and the monitoring and governance arrangements will continue to operate moving forward.

Colleague Recruitment and Retention for Service Delivery

As a result of changes to the way people can work post-pandemic and increased national competition, there is a risk that the required volume and quality of colleagues cannot be achieved across one or more service areas, which would impact on our ability to achieve current service KPIs, issues in delivering new services, increased pressure on our people, and damage to our reputation. Service management teams, alongside our central People Team, have been working on a range of mitigation actions to address this risk, including working closely with our recruitment suppliers, streamlining our internal recruitment processes, broadening the reach of our recruitment and ensuring that the business continues to be an attractive proposition for new and existing colleagues.

Delivery of Change

As a result of increased demand for our services and capabilities from DHSC and other stakeholders in the health and care system, coupled with resource constraints, there is a risk that our change portfolio is overloaded, which may result in issues in delivering new services,

delivering service improvements, impact on our people, and reputational damage.

In response to this risk the Leadership Team sponsored our Internal Auditors to undertake a review of the business's approach to portfolio management. Key recommendations from this audit are now being progressed, including having a dedicated Chief Portfolio and Prioritisation Officer and the establishment of a working group with key stakeholders to help prioritise demands on the business.

Information Security

The volumes and sensitivity of data we hold means the Leadership Team and Board have purposefully continued to closely monitor the organisation's approach to information and cyber security. Ongoing benchmarking against best practice standards and ongoing scrutiny by the ARC ensures the risk is managed as threats continue to evolve on a day-by-day basis. This has included an assessment and ongoing monitoring of any increased risk as a result of the Russian activity. Improvements are also being made through our IT and digitisation programmes, and the implementation of a new Information Security Management System (ISMS) aligned to the requirements of ISO27001 – with the business securing external certification during 2021/22.

Funding

Given the fiscal challenges in government funding there continues to be a risk to the funding required to deliver our portfolio of services. To help to mitigate the risk of impact we have worked closely with our funders, submitting a Comprehensive Spending Review return in Spring/Summer 2021, and a further submission in Winter 2021. Alongside these returns we provided details of our services and alignment to ministerial priorities, and we continue to work closely with DHSC to ensure we can continue to deliver our services.

Alongside our business planning process, we have continued to monitor our funding requirements, aligned to service pressures, service

improvements, new services either transferred into or developed by the NHSBSA and any potential impact from the wider economic backdrop. These formed the basis of our request to funders and funding was confirmed in Spring 2022.

Public Sector Pensions Ruling

Work on the three projects within the DHSC-governed programme that has been implemented to deliver the removal of the discrimination identified by the court of appeal has continued over the last twelve months. The Reform project has delivered the transition of all existing legacy scheme members into the reformed scheme from 1 April 2022. The Remedy project has suffered delays in the ability to fully plan delivery timelines as it awaits the completion of the lower-level Provision Definition documents that HMT are working through to enable all Public Sector Schemes to plan for delivery. Due to the complexity of these documents, they are expected to be delivered by summer 2023. This means that the commencement of Retrospective Remedy is now being estimated as October 2023 (previously April 2023). The Engagement project continues to provide support to Reform and Remedy along with providing an extensive support and information package via the NHS Pension website.

Serious Shortage Protocols

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

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

Our mitigation for this risk is that DHSC have agreed to limit the volume to 250k items per month. This is the maximum number

of additional transactions the business can comfortably process at short notice. This is an approximation and determining the exact volume of a medicine or appliances that will be prescribed in a future month cannot be guaranteed. Therefore, there is a risk that volumes of SSP items exceed resources. If this occurs, we have an agreed position with DHSC that we would retrospectively process these adjustments in bulk. This would ensure accurate payment, but would impact the accuracy of our prescribing data, with a potential impact on our broader social value work.

To mitigate this risk completely, system development is being undertaken by both system suppliers and the NHSBSA to fully automate the process.

Suitability of Directions

One of the NHSBSA's strategic goals is to collaborate to maximise the return on data to improve health outcomes. The delivery of this goal is dependent upon an appropriate governance framework and Directions aligned to this aspiration, specifically in relation to data and analytics. Following the exercise in 2020/21 to explore where explicit powers relating to data and analytics would support delivery of the strategy, with consideration of gaps in the Directions that do not align to required data uses, a new Direction was received in January 2022 which gives the NHSBSA specific powers relating to Dental Services data use in patient survey activity. During 2021/22, the NHSBSA and DHSC working group has identified areas of priority in Workforce and Prescription Services to progress with the appropriate DHSC Policy area and are continuing to monitor and drive progress at regular meetings. With the support of the DHSC Sponsor team, data use is now being considered when drafting new Directions to ensure the powers needed are in place from the point the NHSBSA takes on a service. Assessment of the impact of these mitigation actions will be monitored in early 2022/23.

Asset Management

Following on from the 2019/20 accounts audit work, our external auditors proposed a number of improvements to the organisation's asset management arrangements. We have refreshed a number of job roles and responsibilities to ensure that we have a continued focus on compliance and assurance. We are also sharing the learnings from the external audit processes across the organisation through our finance training for budget managers. We believe that all this ongoing work will have a positive impact for future audits.

In relation to the narrow technical qualification over Intangible Assets there has been a significant amount of work delivered to support the removal of the qualification from the closing position of 2021/22. This has included further professional valuations of some of our core systems in addition to a comprehensive Impairment Review exercise being delivered over the remainder of our intangibles asset population.

Risks and issues – Post 2021/22

Due to the delay in the publication of the 2021/22 Annual Report and Accounts, the following is provided to give an overview of any significant changes to the Corporate Risk Register up to the point of publication:

- **Delivery of Change** – Risk closed following implementation of key mitigation actions including Internal Audit recommendations, and the commencement of proactive recruitment, increased resourcing and closer working with key commissioners.
- **COVID-19/Pandemic** – Risk closed following monitoring over the winter period and no business impact reported. Business continuity plans in place and maintained across business.
- **Significant Fraud** – Risks related to specific potential fraud activity have always been logged, monitored and managed on Service/ Corporate Team Risk Registers. In early 2022/23 the Leadership Team agreed to also log this as a high-level risk on their

Corporate Risk Register to help ensure its visibility and importance at the highest level of the organisation.

- **Colleague Attraction and Recruitment** – A risk linked to ongoing national recruitment challenges was added to the Corporate Risk Register during 2022/23 and continues to be monitored and managed.
- **National Energy Supply Issues** – A risk in relation to potential national energy supply issues was added to the Corporate Risk Register during the winter of 2022. This was monitored throughout the rest of 2022/23 and closed at the end of the financial year. Business continuity plans remain in place and the national situation continues to be monitored.
- **Employee Industrial Action** – Risk closed following pay deal agreement.
- **Colleague Recruitment and Retention for Service Delivery** – This issue was closed in late 2022/23 following successful implementation of a contact centre resourcing approach.
- **Spend Control Delays** – Time delays to external Professional Services, Consultancy and Contingent Labour Spend control approvals continue to be managed and monitored to ensure impact on delivery is minimised.

Assurance arrangements

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

- first line: management control and reporting
- second line: functional oversight and governance systems
- third line: independent review and regulatory oversight.

This model provides the basis upon which the NHSBSA Leadership Team can determine the focus of assurance effort. The assurance map is fully integrated with the risk management

process with areas of concern being reflected in the relevant business area risk register and escalated to the Corporate Risk Register, where required.

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

The Audit and Risk Management Committee has continued a programme of 'Areas of Focus' exercises to assure itself on behalf of the Board regarding the robustness of controls. During 2021/22 exercises were carried out in the following areas:

- ESR Transformation Programme Delivery and Gate 0 Infrastructure Projects Authority (IPA) Report
- NHS Jobs
- IR35
- Pensions Legal Rulings
- Government Functional Standards.

The Committee has gained an increased awareness over the assurances in place for each of the areas reviewed. The assurance provided by these reports constitute the key report highlights from the committee during 2021/22.

Third party assurance

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

For 2021/22, the ISAE 3402 reports for dental, prescription and student bursary payments were qualified, and the ISAE3000 report for ESR

was qualified for part of the audit period. The findings that resulted in the qualification were in relation to employee user access management, and management have created an action plan to address the audit findings. There were no findings relating to the accuracy of any financial transactions.

Managing information

During 2021/22 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) which is based on the National Data Guardian's ten data security standards. Our return was submitted at the end of June 2022.

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

561 security incidents were raised during 2021/22. Upon investigation and risk assessment (based on the set DSPT criteria), two incidents required onward reporting to both NHS Digital and the Information Commissioners Office (ICO). The ICO were satisfied with the remediation actions taken.

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

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

Data protection and freedom of information

As a Special Health Authority, the NHSBSA is subject to the requirements of the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) 2018. Appropriate notifications have been filed with the ICO. This means that all subject access requests are responded to within the provisions of the Act, 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 2021/22 we have dealt with:

- 400 Data Subject Rights requests, 2.5% increase than the previous year. All but 9 were responded to within the required timeframe.
- 474 FOI requests, 19% increase than the previous year. All but 10 were responded to within the required timeframe.

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

Whistleblowing and Freedom to Speak Up (FTSU)

During 2021/22 the NHSBSA continued to embed and improve a 'Freedom to Speak Up' approach across the organisation. This includes a FTSU Policy, a FTSU Strategy and Improvement Plan, a FTSU Guardian role, training and awareness plans and formalised Executive (Mark Dibble) and Non-executive (Karen Seth) lead roles. FTSU Champions were also introduced during 2021/22, made up of colleagues from a diverse range of backgrounds, locations and services. This has further improved the understanding and take-up of FTSU across the business.

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

During 2021/22 eleven cases were raised and addressed via the FTSU Guardian. Feedback received from colleagues raising issues was positive in relation to the action taken and support received. Volumes and themes of cases will continue to be monitored as further communication campaigns and other initiatives are rolled.

Health inequalities

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

Handling Complaints

We pride ourselves on the level of service that we provide to our customers and other service users. We aim to resolve all complaints fairly and promptly in accordance with our defined policy. We view complaints as an opportunity to learn about how we can improve our services.

During 2021/22 we have maintained our approach to handling complaints and have resolved 2,853 complaints. 88% of these were resolved at the Local Resolution stage of our complaints policy with 4.24% escalating to Stage 1 and 1.47% escalating to Stage 2. The remainder were linked to contact from Members of Parliament.

75.24% of all of the complaints resolved are reported as not upheld.

As part of our business strategy we have continued to enable our contact centre agents and our customers to use self-serve options and many of our queries have been resolved locally by our skilled agents supporting customers through this process.

We have further aligned our complaints approach and reporting giving us an overview of complaints as a whole. Insight from this will allow us to continue to further drive forward more business wide improvements.

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

Sources of assurance

Audit and Risk Management Committee

One of the key sources of assurance provision for the NHSBSA's Board is from the Audit and Risk Management Committee, whose key responsibilities are described in the Audit and Risk Management Committee section. The Committee meets these responsibilities by receiving regular reports on a range of audit and assurance topics.

The following is a list of the key reports:

- Risk Management updates – setting out and assessing the major risks and issues that we face along with progress and impact of mitigation actions.
- Annual Risk Management report – outlining how our risk management arrangements have continued to operate during the year and how they have been reviewed and strengthened.
- Assurance Map review – annual review of the assurance mapping arrangements in place across the business.
- Areas of Focus presentations – looking at high-risk areas, or other topics highlighted, for example, through internal audits, assurance maps, etc.
- Internal Audit progress report – regular progress reports on the work undertaken by Internal Audit against the agreed plan.
- External Audit reports – regular progress reports on the work undertaken by External Audit.
- Internal/External Audit recommendations tracker – updates on progress made across the NHSBSA implementing audit recommendations.
- Fraud/Local Security Management annual reports – reports detailing the work undertaken during the year mapped against the agreed work plans.
- Freedom to Speak Up (Whistleblowing) update report – updates on activity across the business each year.
- Third Party Assurance reports – the outcome of the third party assurance engagements undertaken to review the control environment covering prescription, dental and student bursary payments, and ESR. The outcome of these engagements is shared with clients, as appropriate, to provide third party assurance for the services we provide on their behalf.

Head of Internal Audit Opinion

NHSBSA's internal audit service is provided by the Government Internal Audit Agency (GIAA). The team plays a role in the review of the effectiveness of risk management, controls and governance within NHSBSA by:

- focusing audit activity on the key business risks
- being available to guide managers and staff through improvements in internal controls
- auditing the application of risk management and control as part of Internal Audit reviews of key systems and processes, and
- providing advice to management on internal control implications of proposed and emerging changes.

The team operates in accordance with Public Sector Internal Audit Standards and to an Internal Audit Plan, which has been agreed with the Accounting Officer and the Audit and Risk Management Committee. With the agreement of the Committee, this Plan is updated appropriately throughout the year to reflect changes in risk profile and key priorities.

Following completion of a programme of risk-based audit work throughout NHSBSA during 2021/22, the Head of Internal Audit has objectively considered the overall adequacy and effectiveness of the NHSBSA's systems of risk management, governance and internal control. As such, the Head of Internal Audit's opinion is that he can give "Moderate Assurance" to the NHSBSA's Accounting Officer in relation to the 2021/22 reporting year. Overall, he judged that appropriate measures have been put in place during the year to maintain adequate frameworks and practice in relation to risk management, governance and internal control.

The Head of Internal Audit records that strong governance is prevalent where services are delivered on behalf of the DHSC or other partners, supported by effective structures and processes with a clear focus on delivery. He also found effective controls in a number of corporate functions including finance, commercial, HR and data management indicating that despite the impact of COVID-19 and other challenges, NHSBSA has been able to develop and maintain effective risk management and proportionate controls across a range of functional and operational areas.

Across the year areas of improvement were highlighted. These focused around ensuring that NHSBSA is able to leverage its expertise in designing and delivering services to influence strategic decision-making related to those services it is directed and commissioned to deliver, which will in turn reduce their risk profile and optimise delivery to stakeholders and the public. The challenge of managing an already sizeable change portfolio was exacerbated by the demands placed on NHSBSA during the

COVID-19 pandemic, where it was responsible for delivering around fifty new services to support the health and social care sector. To mitigate these risks NHSBSA has introduced measures to improve prioritisation, resourcing and strategic oversight of its portfolio during 2021/22.

The Head of Internal Audit submits regular reports to the Committee relating to the adequacy and effectiveness of NHSBSA's systems of internal control, and the management of key business risks, together with recommendations for improvement. In all instances where opportunities to improve governance, risk management and control have been identified NHSBSA management has reacted positively and agreed appropriate and proportionate actions to address. Management oversight of outstanding recommendations is strong, enabling prompt and timely implementation of recommendations. The status of Internal Audit recommendations and the collection of evidence to verify their implementation are reported to the Committee.

Other sources of assurance

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

- Risk Management Process – see Risk Management section.
- Performance Management Framework – reviewed by the Leadership Team on a monthly basis and by the Board at each meeting. The framework provides a balanced scorecard approach covering the key areas of performance.
- Wellbeing and Inclusion Committee – controls are in place to ensure that all of our obligations under equality, diversity and human rights legislation are adhered to. The Wellbeing and Inclusion Committee, which is chaired by the Chief Executive, monitors performance against our Diversity and Inclusion Strategy and achievement of our equality objectives. It also oversees the

delivery of our wellbeing and community investment goals.

- Statutory Function Register – a register which details the current Statutory Instruments, Directions and other applicable agreements is maintained to ensure correct arrangements are in place, and the NHSBSA is legally compliant in discharging its duties.
- NHS Pension Scheme – as an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.
- National Joint Safety, Health and Environment (SHE) Committee – controls are in place to ensure that we comply with relevant health and safety, and environmental law and good practice. The National Joint SHE Committee, which is chaired by the Executive Director of People and Corporate Services, monitors performance against our Health and Safety Strategy and Action Plan, and Environment and Resource Efficiency Strategy and Action Plan

COVID-19 Assurance

The importance of safeguarding the appropriate use of public money through effective governance has remained as important during this national emergency as at other times.

The following aspects of NHSBSA financial governance arrangements continued to be reviewed and adapted to provide financial governance that remains fit for the operating environment:

- Financial and Commercial Reporting and Funding – Service Heads and their Finance and Commercial Business Partners working in partnership to develop and maintain records of key decisions, rationale and corresponding commitments.

- Financial Operating Framework – To ensure flexibility for staff to take on different roles, guidance and procedures have been reviewed and updated. Business Continuity Plans are in place for all NHSBSA finance operations.

Learning Support Fund

2021/22 was the second year, and first full year, of operation of the new Learning Support Fund (LSF). Payments of approximately £550m were made to students on qualifying courses.

Given the material level of expenditure, and the results of a similar exercise for 2020/21, the NHSBSA chose to undertake an assurance exercise with the Higher Education Institutes (HEIs) to confirm that students in receipt of funding for the 2021/22 academic year were in attendance for the full year.

The exercise identified an estimated level of overpayments of £1.4m in the 2021/22 financial year and the NHSBSA has taken steps to recover those overpayments. The NHSBSA is considering a range of options that would ultimately strengthen controls and provide management with the necessary assurance around this expenditure.

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 2021/22.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the NHSBSA achieving its principal objectives have been reviewed.

My review is informed by:

- The work of the Audit and Risk Management Committee which informs the Board about

the outcome of its activities through the submission of updates, minutes and its annual report to the Board.

- The findings of both the external and the internal audit reviews. The Audit and Risk Management Committee oversees progress towards the implementation of all such recommendations.
- The work of the Fraud Specialists is to prevent, deter, investigate and report fraud activity. The Audit and Risk Management Committee receives the annual work plan and annual report of the Fraud Specialists and provides updates to the Board as appropriate.

Significant governance issues

There were no significant issues raised during 2021/22.

Conclusion

My review confirms that the NHSBSA has a system of governance that supports the achievement of its policies, aims and objectives and that continuous improvement is ongoing. In relation to the qualified audit opinion, work is underway which is expected to remove the qualification over intangible assets from the closing position for 2021/22 and fully remove the qualification from 2022/23 onwards.

2.2 Remuneration and staff report

2.2.1 Remuneration report

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

This report for the year ended 31 March 2022 is produced by the Board. The Remuneration and Nominations Committee met on three occasions during the period 1 April 2021 to 31 March 2022.

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

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

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

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

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

Appointments

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



Emoluments of Board members

The remuneration of all directors in post during 2021/22 is detailed in the tables on the following pages which identify the salary, other payments and allowances and pension benefits applicable to both executives and non-executives.

Non-executive directors

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

Subject to audit

Name and title		2021/22						2020/21						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)		
S Maizey	Chair	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	9 Sep 2013	8 Sep 2017
		60-65	0.3	0	0	0	0-65	60-65	0	0	0	60-65	0	9 Sep 2017	8 Sep 2020
									0.4	0	0		0	9 Sep 2020	8 Sep 2021
									0.4	0	0		0	9 Sep 2021	31 Dec 2021
									0.4	0	0		0	1 Jan 2022	31 Mar 2022
M Ellerby	Non-executive director, Senior Independent Director and Chair of Remuneration and Nominations Committee	5-10	0.0	0	0	0	5-10	5-10	0.5	0	0	5-10	0	1 Apr 2014	31 Mar 2017
									0.5	0	0		0	1 Apr 2017	31 Mar 2018
									0.5	0	0		0	1 Apr 2018	31 Mar 2021
									0.5	0	0		0	1 Apr 2021	31 Dec 2022
K Gillatt	Non-executive director, and Chair of Audit and Risk Management Committee from 1 April 2021	10-15	0.0	0	0	0	10-15	0-5	0.0	0	0	0-5	0	1 Oct 2020	30 Sep 2023
K Seth	Non-executive director	5-10	0.1	0	0	0	5-10	5-10	0.4	0	0	5-10	0	15 Sep 2017	14 Sep 2020
									0.4	0	0		0	15 Sep 2020	14 Sep 2023
D Bailey	Non-executive director	0 ¹	0.2	0	0	0	0-5	0 ¹	0.5	0	0	0-5	0	1 Jun 2016	31 May 2019
									0.5	0	0		0	1 Jun 2019	31 May 2022
M Tomlin	Non-executive director	5-10	0.0	0	0	0	5-10	n/a	n/a	n/a	n/a	n/a	n/a	1 Apr 2021	31 Mar 2024

Name and title	2021/22					2020/21					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)
A Flanagan Non-executive director, and Chair of Audit and Risk Management Committee until 31 March 2021	n/a	n/a	n/a	n/a	n/a	£000	£000	£000	£000	£000	£000	£000	1 Apr 2014 1 Apr 2017 1 Apr 2020 1 Oct 2020	31 Mar 2017 31 Mar 2020 30 Sep 2020 31 Mar 2021
T Nolan Non-executive director	n/a	n/a	n/a	n/a	n/a	£000	£000	£000	£000	£000	£000	£000	1 Apr 2017 1 Apr 2020	31 Mar 2020 30 Sep 2020

¹ Does not draw a salary

Senior manager remuneration

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

Subject to audit

Name and title	2021/22						2020/21						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	95-100 ¹	0.7 ³	0	0	22	115-120	0 ³	0	0	20	105-110	Permanent contract (6 months' notice)		
M Dibble Director of People Corporate Services (Corporate Secretary)	120-125	0	0-5	0	26	150-155	0	0-5	0	24	150-155	Permanent contract (6 months' notice)		
A Newell Director of Strategy, Performance, Business Development and Growth	125-130 ³	0.7 ³	0-5	0	30	155-160	0 ³	0-5	0	31	170-175	Permanent contract (6 months' notice)		
A McKinlay Director of Finance and Commercial Services	115-120 ³	0.6 ³	0-5	0	28	145-150	1.8 ³	0-5	0	27	150-155	Permanent contract (6 months' notice)		

¹ From 1 April 2021 to 30 September 2021, 80% of M Brodie's salary was recharged to Public Health England to reflect his time spent as Interim Chief Executive. His full year equivalent salary was in the £160-165k band (£170-175k before salary sacrifice – see note 3 below).

² From 1 September 2020 to 31 March 2021, 80% of M Brodie's salary was recharged to Public Health England to reflect his time spent as Interim Chief Executive. His full year equivalent salary was in the £170-175k band.

³ 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 A Newell and A McKinlay were in the £130-135k and £120-125k bands respectively. The taxable benefit of the lease cars provided to senior managers is disclosed in the Expense payments column where indicated. Where the lease car was electric, the value of the taxable benefit disclosed in 2020/21 is nil, as the HMRC rate for 2020/21 on such cars was 0% of list price.

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 9: Percentage change in salary	2021/22	2020/21
Highest paid director	0.0%	0.0%
Staff average	5.9%	5.3%

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

The banded remuneration of the highest paid director in 2021/22 was £170,000 – £175,000 (2020/21: £170,000 – £175,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table (Table 10). The range of staff remuneration was £15,000-£20,000 to £170,000-£175,000.

In 2021/22 no employees received remuneration in excess of the highest paid director. This was also the case in 2020/21.

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.

Table 10: Pay ratios	2021/22	2020/21
Band of highest paid director's total remuneration (£000)	170-175	170-175
25 th percentile total (£)	20,330	19,337
25 th percentile ratio	8.5	8.9
Median total (£)	22,549	21,142
Median ratio	7.7	8.2
75 th percentile total (£)	32,306	30,615
75 th percentile ratio	5.3	5.6

The reduction in the ratio is a result of the highest paid director's pay not increasing whereas workforce pay increased by over 5%.

Pension benefits

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

Subject to audit

Table 11: 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 2022 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2022 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
M Brodie Chief Executive	0-2.5 ¹	0 ¹	40-45	100-105	836	774	20 ¹
M Dibble Director of People and Corporate Services (Corporate Secretary)	0-2.5	(2.5)-0	45-50	90-95	887	836	30
A Newell Director of Strategy, Performance, Business Development and Growth	0-2.5	0	5-10	0	165	120	26
A McKinlay Director of Finance and Commercial Services	0-2.5	0	5-10	0	96	70	11

¹ M Brodie's increases relate only to NHSBSA earnings, and exclude the 80% of his earnings recharged to Public Health England while he was Interim Chief Executive for the period 1 April to 30 September 2021.

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

Cash Equivalent Transfer Value

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

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

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

Real increase in CETV

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

2.2.2 Staff report

Staff numbers and costs

Table 12 gives details of staff numbers and costs.

Subject to audit

Table 12: Staff numbers and related costs – Executive members and staff costs				
	Total 2021/22 £000	Permanently employed £000	Other £000	Total 2020/21 £000
Salaries and wages	101,544	95,670	5,874	92,325
Social security costs	8,955	8,955	0	7,880
Employer contributions to NHS Pensions	15,981	15,981	0	14,584
Other pensions costs	551	551	0	525
Termination costs	431	431	0	143
Apprenticeship levy	540	540	0	487
Total	128,002	122,128	5,874	115,944
Capitalised staff costs	(3,268)			(3,145)
	124,734			112,799

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

Subject to audit

Table 13: Average numbers of persons employed			
Total	Permanently employed	Other	2020/21
3,320	3,228	92	3,194

The whole time equivalent number of staff whose cost was capitalised was 40 (2020/21:42).

Ill-health retirements

There were no retirements due to ill health during 2021/22.

Gender balance

Table 14 below provides details of the number of colleagues by gender at director, senior manager and other employee levels. The NHSBSA 2021/22 Gender Pay Gap Report revealed that there was a 12.5% median gender pay gap which had increased by 10.2% from the previous year. The mean gender pay gap was 14%, an increase of 1.4% from 2020/21. The cause of the increase in our gender pay gap is due to recruiting a significantly higher percentage of women into the organisation in 2021/22 than men, in particular into the roles in which we have volume recruitment in our lower pay bands, and the linear effect of this is that the median point for women has moved to the left.

The report sets out what we are doing to address the gender pay gap in our organisation and explains the wide range of actions we are undertaking to reduce this, many of which are aimed at increasing the representation of women in senior roles. The report includes data analysis which demonstrates some 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 14: Employee data (based on head count, not full-time equivalent)

	Female	Male	Total (31 March 2022)
Directors	1	8	9
Senior managers (band 8c and above)	19	36	55
Total employees	2,087	1,425	3,512

Employee sickness

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

All figures calculated by Full Time Equivalent (FTE)

Table 15: NHS sickness absence figures

Figures converted by DHSC to best estimates of required data items			Data from ESR Data Warehouse	
Average FTE 2021	Adjusted FTE days lost to Cabinet Office definitions	Average sick days per FTE	FTE days available	FTE days recorded sickness absence
3,710	29,120	7.8	1,354,247	47,238

Source: Data from the ESR Data Warehouse. Period covered: January to December 2021

NHS sickness absence figures notes:

ESR does not hold details of normal number of days worked by each employee. Data on days available and days recorded sick are based on a 365-day year.

Average Annual Sick Days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE, and multiplying by 225 (the typical number of working days per year).

Supporting disabled people

We recognise that we need diverse talent and that people with disabilities bring many different talents and assets to our business. Having neuro-diverse colleagues with different ways of working contributes enormously to our creativity and innovation as an organisation. We are a Disability Confident 'Level 3 – Leader' organisation in recognition of our commitment to disability inclusion and we also take part in the NHS Workforce Disability Equality Standard. We believe in creating opportunities for disabled people and continue to encourage people from marginalised groups (including people with disabilities) to engage with us for recruitment or learning opportunities. This has involved making our recruitment processes more accessible and inclusive from the outset, in addition to already providing a Guaranteed Interview Scheme and making adjustments to our recruitment processes. We work with a range of disability charities to provide work experience and placements for people with disabilities, however opportunities to do so continue to have been impacted during 2021/22 due to the pandemic. We also have a Workplace Adjustment Passport scheme to support colleagues needing adjustments.

During 2021/22 we continued to support a wide range of interventions focussed on disability inclusion. These included our Disability and Neurodiversity Colleague Network to increase the voice of colleagues with that lived experience, our Shadow Board leadership development opportunity with a ringfenced seat for a senior colleague who identifies as disabled or neurodiverse, developing leadership competence and confidence around disability and mental health through delivery of our bespoke programme for managers, and development of our bespoke Reciprocal Mentoring for Inclusion Programme, with a mentoring partnership between a member of our Disability and Neurodiversity Colleague Network and a member of our Leadership Team.

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

Supporting and engaging with our people

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

- Diversity and Inclusion – We are committed to equality, diversity and inclusion. Our Wellbeing and Inclusion Committee oversee the delivery of our Diversity and Inclusion Strategy and we publish details of our progress on our website: www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion
- 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 Safety, Health and Environment (SHE) Team, management system and we consult with our people through our National Joint Health and Safety

Committee. Our Health and Safety Strategy and Annual Report are published on our website at: www.nhsbsa.nhs.uk/what-we-do/safety-health-and-environment

- Developing Our People – We are committed to maximising the performance and potential of all of our people and we ensure development opportunities are open and accessible to all. Our Virtual Learning Resource Centre ensures all colleagues can access learning on a vast range of topics to support their personal development.
- Developing our Leaders – We have developed a suite of learning offerings to support our leaders and managers at both an individual and collective level. The purpose is to build capability and confidence in leading others.
- Developing Talent – We have continued to integrate our appraisal process with an emphasis on identifying and growing our aspirant colleagues. This is supported by the introduction of our approach to supporting internal talent through effective initiatives and opportunities.

In May 2021 we were recognised by Best Companies as one of the top 10 not for profit organisations to work for and, one of the top 25 best big companies to work for.

We conducted a further annual employee engagement survey in October 2021 which achieved a 66% response rate. As a result of employee feedback, we maintained our 2 star accreditation from Best Companies for 'outstanding commitment to workplace engagement' and in March 2022 were listed as the number one not for profit organisation to work for and 9th best big company to work for in the quarter one results of the Best Companies survey year (October to September)

For each area we measure our scores against our 2020 survey by:

Leadership +1%
My Company 0%
My Manager +2%
Personal Growth +5%
My Team +1%
Wellbeing +3%
Fair Deal -1%
Giving Something back -1%

Expenditure on consultancy and temporary staff

The total consultancy expenditure incurred on the provision of operating services was £0 (2020/21 – £0). The total contingent labour expenditure incurred on the provision of operating services was £4.5 million (2020/21 – £4.1 million).

Off-payroll engagements

Table 16 below summarises our off-payroll appointments.

Table 16: Off-payroll appointments	
For all off-payroll engagements as of 31 March 2022, for more than £245 per day	
Number of existing engagements as of 31st March 2022	29
	Of which...
Number that have existed for less than one year at time of reporting	14
Number that have existed for between one and two years at time of reporting	10
Number that have existed for between two and three years at time of reporting	4
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four or more years at time of reporting	0
For all off-payroll engagements between 1 April 2021 and 31 March 2022, for more than £245 per day	
Number of temporary off-payroll workers engaged between 1 April 2021 and 31 March 2022	46
	Of which...
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	45
Number subject to off-payroll legislation and determined as out of scope of IR35	1
Number of engagements reassessed for compliance or assurance purposes during the year	1
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 2021 and 31 March 2022	
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	10

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 17: Staff numbers and related costs – Exit costs						
2021/22	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	6	0	6	107	0	107
£25,000-£50,000	8	0	8	253	0	253
£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	14	0	14	360	0	360

There were no special payments made during the year.

Subject to audit

Table 17a: Other departures excluding compulsory redundancy		
2021/22	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 18: Staff numbers and related costs – Exit costs

2020/21	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	2	0	2	19	0	19
£10,000-£25,000	5	0	5	94	0	94
£25,000-£50,000	2	0	2	71	0	71
£50,000-£100,000	7	0	7	462	0	462
£100,000-£150,000	8	1	9	980	124	1,104
£150,000-£200,000	3	0	3	505	0	505
>£200,000	0	0	0	0	0	0
Total	27	1	28	2,131	124	2,255

There were no special payments made during the year.

Table 18a: Other departures excluding compulsory redundancy

2020/21	Number of agreements	Total value of agreements £000
Voluntary redundancies incl. early retirement	1	124
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	1	124

2.2.3 Recruitment and Turnover

Recruitment

During the year from April 2021 to March 2022, we recruited 554.4 full-time equivalent roles into the organisation, with 508.4 of these into posts based in the North East.

Region	FTE recruited
North East	508.4
North West	29.0
Yorkshire & Humber	9.0
South/South East	8.1
Total	554.4

Leavers and Exits

During this period, 341.5 full-time equivalent colleagues left the NHSBSA, including 322.4 through natural wastage, where they chose to resign or retire, their fixed-term contract came to an end, or they were transferred. This is an annualised turnover percentage of 9.74%.

Region	Natural wastage	Other	Total FTE who left
North East	276.7	11.3	288.1
North West	32.1	5.8	37.9
South/South East	9.1	1.0	10.1
Yorkshire & Humber	4.4	1.0	5.4
Total	322.4	19.1	341.5

Our Workforce across the UK

Our breakdown of staff across the UK is as follows:

Region	As a % of the total FTE
North East	61.6%
North West	25.1%
South/South East	1.2%
Yorkshire & Humber	2.3%
Homeworkers	9.8%

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 22: Relevant union officials	
Number of employees who were relevant union officials during 2021/22	Full-time equivalent employee number
20	18.81

Table 23: Percentage of time spent on facility time during 2021/22	
Percentage of time	Number of employees
0%	3
1-50%	16
51%-99%	1
100%	0

Table 24: Percentage of pay bill spent on facility time during 2021/22	
Total cost of facility time	£59,895
Total pay bill	£121,157,000
Percentage of the total pay bill spent on facility time	0.05%

Table 25: Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
Hours on paid time	425
Total paid facility time hours	2,741
(Total hours spent on paid trade union activities ÷ total paid facility time hours) x 100	15.5%

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 26 below.

Subject to audit

Table 26: Losses and special payments				
	2021/22		2020/21	
	No. of cases	£000	No. of cases	£000
Losses	301	115	334	6,781
Special payments	1,156	871	2,129	1,734

There were no losses of more than £300,000 during the year.

1,156 special payments, totalling £0.87m, resulted from a backlog of Pensions Scheme substitute awards which missed HMRC deadlines. These attracted a scheme sanction charge and tax liabilities, which the NHSBSA has paid on behalf of affected members.

No gifts exceeding £300,000 have been made by the NHSBSA.

2.3.2 Fees and charges

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

2.3.3 Remote contingent liabilities

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

2.3.4 Long term expenditure trends

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

2.3.5 Accounting Officer's disclosure to the auditors

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

2.3.6 External auditors

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



Michael Brodie

Chief Executive
NHS Business Services Authority
6 July 2023

Appendix 1

Sustainability report



Table 1: Greenhouse gas emissions

This section of the report has been prepared in accordance with the guidelines laid down by HM Treasury in 'Public Sector Sustainability Reporting'.

	2017/18	2018/19	2019/20	2020/21	2021/22
Non-financial Indicators (tCO₂e)*					
Gross emissions Scope 1** (direct)	0.3k	0.4k	0.3k	0.4k	0.5k
Gross emissions Scope 2*** (indirect)	1.7k	1.3k	1.2k	1.0k	0.8k
Gross emissions Scope 3**** (indirect – business travel)	0.4k	0.4k	0.4k	0.1k	0.1k
TOTAL	2.4k	2.1k	2.0k	1.5k	1.4k
Building CO ₂ e per FTE	0.86	0.67	0.64	0.49	0.37
Business travel CO ₂ e per FTE	0.11	0.16	0.14	0.03	0.03
Related energy consumption (kWh)					
Gas	1.7m	1.5m	1.7m	2.1m	2.7m
Electricity: Grid	5.0m	4.7m	4.8m	4.3m	3.8m
Gas Oil	N/A	N/A	N/A	N/A	N/A
Self-generated energy (kWh)					
PV	53k	60k	57k	53k	52k
Financial indicators*****					
Expenditure on energy	£0.7m	£0.7m	£0.8m	£0.8m	£1.0m
Expenditure on carbon reduction commitment	£41k	£35k	£31k	N/A	N/A
Expenditure on official business travel	£1.2m	£1.0m	£0.8m	£0.2m	£0.1m
TOTAL	£1.9m	£1.7m	£1.6m	£1.0m	£1.1m

Notes: * emissions accounting includes all Scope 1 and 2 emissions along with separately identified Scope 3 emissions related to official business travel. Government emission conversion factors provided by Department for Business, Energy & Industrial Strategy have been used.

Scope 1** gas used in buildings, fugitive emissions from air conditioning units in buildings we own and/or control, transport emissions from vehicles we own or lease.

Scope 2*** electricity used in buildings (approx. 8.6% has been estimated where we are a tenant in large office blocks, and there is no direct metering).

Scope 3**** transport emissions from hire cars, grey fleet, taxis (some figures are approximated using spend data and assumptions), buses (figures are approximated using number of bus tickets issued), air, and rail.

Financial indicators ***** NHSBSA was not required to report on financial indicators.

Performance commentary including measures

We have increased gas consumption and fleet travel because of our response to COVID-19 which has slightly increased our scope 1 greenhouse gas emissions, however reduced electricity usage from significantly reduced building occupancy has reduced scope 2 emissions. We have also experienced a significant reduction in business travel due to COVID-19 restrictions which has reduced our scope 3 greenhouse gas emissions. We are reviewing the changes in business practices throughout the pandemic and redesigning how we work in the future to ensure we continue to utilise technology infrastructure and a smarter way of working.

Controllable impacts commentary

Our main impacts are from the operation of our offices (electricity and gas), and to a lesser extent our business travel; having offices, customers, clients and sponsors spread around the UK.

Overview of influenced impacts

Our key influential impacts are related to our supply chain.

Table 2: Operational Waste

	2017/18	2018/19	2019/20	2020/21	2021/22
Non-financial Indicators (tonnes)*					
Landfilled	62	59	1	0	0
Recycled/reused/composted (non-prescription/dental form waste)**	183	314	305	172	81
Food waste (anaerobically digested)	N/A	N/A	N/A	5	9
ICT waste recycled, reused, or recovered externally	15	15	15	0	24
Recycled/reused/composted (prescription/dental form waste)***	798	613	544	336	507
Recycled/reused/composted (prescriptions stored offsite by third party)***	0	0	0	0	0
Incinerated with energy recovery	103	115	117	60	62
Incinerated without energy recovery	0	0	0	0	0
TOTAL	1,161	1,116	982	573	683
Office waste per FTE	0.14	0.18	0.14	0.07	0.05
Financial Indicators****					
Landfilled	£9.5k	£9.8k	£9.8k	£0.1k	0
Recycled/reused/composted (non-prescription/dental form waste)	£31.7k	£40.4k	£40.4k	£61.0k	£85.4k
Food waste (anaerobically digested)	N/A	N/A	N/A	£1.8k	£1.8k
Recycled/reused/composted (prescription/dental form waste)***	-£44.8k	-£34.7k	-£47.7k	-£27.5k	-£30.1k
ICT waste recycled, reused, or recovered externally	0	0	0	0	0
Incinerated with energy recovery	£82.1k	£87.5k	£87.5k	£35.6k	£5.7k
Incinerated without energy recovery	0	0	0	0	0
TOTAL	£79k	£103k	£90k	£69k	£63k

Table 3: Construction Waste

	2017/18	2018/19	2019/20	2020/21	2021/22
Non-financial Indicators (tonnes)*					
Landfilled	N/A	N/A	N/A	N/A	429
Waste recycled externally (excl. ICT waste)	N/A	N/A	N/A	N/A	0
Waste reused externally (excl. ICT waste)	N/A	N/A	N/A	N/A	114
TOTAL	N/A	N/A	N/A	N/A	543
Financial Indicators****					
Waste to landfill	N/A	N/A	N/A	N/A	£43k

* waste (tonnes): Approx. 1.6% has been estimated where we are a minor tenant in large office blocks, and waste is managed through the service agreement.

** Recycled/reused/composted (non-prescription/dental form waste): Confidential paper from offices is an estimated value using an assumed weight per bin.

*** Recycled prescriptions: Since 2017/18, the NHSBSA started to receive a rebate for prescription waste which is included in the financial indicators. Waste costs have been estimated for 2017/18 as these were not made available by the third party contractor. Waste from external scanning contracts has been excluded from the NHSBSA data as this waste is being processed on behalf of a third party and this waste is reported within the third party waste returns.

**** minor estimates included aligned to non-financial estimates listed here. ICT waste costs are included within managed service contract costs so have not been included here. Waste financials for 2018/19 has been divided between waste incinerated and waste recycled, based on the waste tonnage for each waste category. Waste financials for landfilled, recycled non- prescription and incinerated waste was unavailable and 2018/19 waste costs were used as an estimate.

Performance commentary including measures

As we digitise many of the services we deliver, we continue to make waste savings across the business, despite increasing our service portfolio and number of employees. Operational waste and construction waste have been accounted for separately due to the NHSBSA having more influence over the method of disposal and volume of operational waste. Displaying this data separately allows for a better representation of the NHSBSA's waste.

Controllable impacts commentary

Our key controllable impact is the production of office waste. Our strategy to digitise our services and move away from paper-based processes supports ongoing reduction in office waste produced and we continue to see these improvements in our waste tonnage. We have experienced an increase in the uptake of many of our digital services throughout the pandemic and as a result of our engagement activities. In Q3 2021/22 the hold that had previously been put on exemption checking services was ended and also the end to paper prescription retention will mean we continue to see an increase in waste and paper use. Reduced building occupancy throughout the COVID-19 pandemic has seen reduced office waste. We continue to engage with our colleagues to reduce waste and maximise recycling.

Overview of influenced impacts

We have influence over the roll-out of EPS and continue to engage with stakeholders to promote the further take-up of EPS and increase the number of services we deliver through our digital portals e.g. Manage Your Service. We are also working with our suppliers to reduce waste in our supply chain.

Table 3: Finite resource consumption

	2017/18	2018/19	2019/20	2020/21	2021/22
Non-financial Indicators (m³)*					
Water from office estate	19.7k	16.9k	17.5k	8.6k	6.9k
Water from non-office estate	0.2k	0.3k	0.3k	0.2k	1k
TOTAL	19.9k	17.2k	17.8k	8.8k	7.9k
Water – m ³ per FTE (office estate)	9.7	10.5	5.6	3	1.9
Paper – reams of A4**	27k	26k	21k	11k	12k
Paper – reams per FTE	10	9	6.7	3.6	3.2
Financial Indicators***					
Mains water supply and treatment	£89.5k	£79.2k	£65.8k	£75.1k	£47.7k

* water (m³): less than. 4% has been estimated where we are a minor tenant in large office blocks, and there is no direct metering.

** paper (reams): reams of A4 reported here refer to office paper purchased by the NHSBSA directly. It does not include paper purchased on our behalf e.g. leaflets, scheme documents etc. linked to our outsourced services. Data for Q4 2017/18 and March 2019 has been estimated due to an issue with the report provided by the third-party supplier. Paper is reported as A4 reams or equivalent, so also includes A5 and A3 paper consumption.

*** minor estimates have been included for areas without direct billing, for example, where the water bills are part of the service charge for a building.

Performance commentary including measures

Our water consumption has been significantly reduced, by approx. 60.9% from a 2017/18 baseline, through estate rationalisation and improved controls and fittings across our buildings. Our Estates Team continue to monitor usage site-by-site and look at operational improvements where appropriate. Water consumption is monitored on a regular basis and any unexpected increases in water usage are investigated.

Our paper use has been reduced by 55.9% from a 2017/18 baseline. This was achieved by the rapid uptake of digital services as a result of the restrictions put in place as a response to the COVID-19 pandemic. In 2021/22 the hold that had previously been put on exemption checking services has ended increasing the volume of paper printed over a small portion of the year.

Controllable impacts commentary

Our key controllable impact is water use in our buildings. We continue to monitor office paper and our strategy to digitise our services should deliver further reductions.

Overview of influenced impacts

Our key influential impacts are related to our supply chain. We are also working with our suppliers to reduce resource consumption in our supply chain.

Certificate and report of the Comptroller and Auditor General



THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Qualified 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 2022 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 2022;
- 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, except for the possible effects on the corresponding figures of the matters described in the basis for qualified opinion on the financial statements section of our certificate, the financial statements:

- give a true and fair view of the state of the NHS Business Services Authority's affairs as at 31 March 2022 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 qualified opinion on the financial statements

I have qualified my opinion on the financial statements in respect of the following matter:

In the prior year, NHS Business Services Authority was unable to provide sufficient and appropriate audit evidence over the valuation of intangible assets totalling £23m (Note 4.1.2 at 31 March 2021). As a result, I have been unable to determine whether any adjustment might have been necessary within the statement of financial position in respect of the opening balances for intangible assets and associated revaluation reserve in the 2021-22 financial statements. My audit opinion on the financial statements for the year ended 31 March 2021 was modified accordingly.

My opinion on the financial statements is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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 Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our 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 we have obtained is sufficient and appropriate to provide a basis for my opinions.

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 require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it 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 nor my auditor's certificate. 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 our 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 its

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

In respect solely of the matter referred to in my basis for qualified opinion section above:

- 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;
- I have not received all of the information and explanations I require for my audit.

I have nothing to report in respect of the following matters which we 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;
- I have not received all of the information and explanations I require for my audit;
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns;
- 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the auditors 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 auditors with additional information and explanations needed for our audit;
- providing the auditors 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;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the National Health Service Act 2006;
- ensuring that the Annual Report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made 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, 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 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 instance of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of the NHS Business Services Authority's framework of authority as well as other legal and regulatory frameworks in which the NHS Business Services Authority operates. I focussed 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 we considered in this context included the National Health Service Act 2006 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, internal audit and the Audit and Risk Management 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; and
- In addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risk of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our 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 evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions 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 that I identify during my audit.

Report

As previously reported, in 2020-21 my audit opinion on the accounts of the NHS Business Services Authority was qualified as management was unable to provide sufficient and appropriate audit evidence that NHSBSA's intangible assets had been measured appropriately at their depreciated replacement cost. As set out in the governance statement, management have improved controls and commissioned the necessary valuations as at 31 March 2022 to address the issues I previously raised. I have therefore obtained sufficient and appropriate evidence over the year end 31 March 2022 intangible asset balances.

However, as a result of the 2020-21 qualified opinion set out in the basis for qualified opinion above, I was unable to obtain sufficient appropriate audit evidence over £23m of the 2020-21 intangible asset balance (Note 4.1.2 at 31 March 2021). This has meant that I have been unable to conclude on the comparability of the current year's figures and the corresponding figures. I have no further observations to make on these financial statements.

Gareth Davies

11 July 2023

Comptroller and Auditor General

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

Financial statements and notes to the accounts



Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Notes	2021-22 £000	2020-21 £000
Operating income	3.1	699,326	474,930
Staff Costs	3.4	124,734	112,799
Other operating expenditure	3.2	731,730	525,686
Total operating expenditure		856,464	638,485
Net operating expenditure		157,138	163,555
Net loss on transfers	3.5	0	4,850
Total Net Expenditure		157,138	168,405
Other Comprehensive Net Expenditure			
Net (gain) on revaluation of property, plant & equipment		0	(497)
Net (gain) on revaluation of intangible assets		(2,193)	(1,471)
Total comprehensive net expenditure for the year		154,945	166,437

The notes on pages 89 to 113 form part of these accounts.

Statement of Financial Position at 31 March 2022

	Notes	31 March 2022 £000	31 March 2021 £000
Non Current Assets			
Property, Plant & Equipment	4.2	37,216	35,083
Intangible Assets	4.1	70,675	77,468
Total non-current assets		107,891	112,551
Current Assets			
Trade and other receivables	4.4	79,733	57,720
Cash and cash equivalents	4.5	13,779	10,216
Total current assets		93,512	67,936
Total Assets		201,403	180,487
Current Liabilities			
Trade and other payables	4.6	40,997	45,109
Provisions for liabilities and charges	4.7	3,714	5,321
Total current liabilities		44,711	50,430
Net current assets/liabilities		48,801	17,506
Total assets less current liabilities		156,692	130,057
Non-current liabilities			
Provisions for liabilities and charges	4.7	768	858
Total non-current liabilities		768	858
Total Assets Less Liabilities:		155,924	129,199
Taxpayers' Equity			
General Fund		123,064	99,634
Revaluation Reserve		32,860	29,565
Total Taxpayers' Equity:		155,924	129,199

The notes on pages 89 to 113 form part of these accounts.

Michael Brodie

Michael Brodie
Chief Executive
6 July 2023

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2021	99,634	29,565	129,199
Changes in taxpayers' equity for 2021-22			
Total net expenditure for the year	(157,138)	0	(157,138)
Net gain on revaluation of intangible assets	0	2,193	2,193
Non-cash charges – notional costs	139	0	139
Movement between reserves	(1,102)	1,102	0
Total recognised income and expense for 2021-22	(158,101)	3,295	(154,806)
Net Parliamentary Funding	181,531	0	181,531
Balance at 31 March 2022	123,064	32,860	155,924

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2020	102,356	28,182	130,538
Changes in taxpayers' equity for 2020-21			
Total net expenditure for the year	(168,405)	0	(168,405)
Net loss on revaluation of Property, Plant and Equipment	0	497	497
Net gain on revaluation of Intangible Assets	0	1,471	1,471
Non-cash charges – notional costs	118	0	118
Movement between reserves	585	(585)	0
Total recognised income and expense for 2020-21	(167,702)	1,383	(166,319)
Net Parliamentary Funding	164,980	0	164,980
Balance at 31 March 2021	99,634	29,565	129,199

The revaluation reserve balance at 31 March 2022 includes £32,412k relating to Intangible Assets (31 March 2021: £29,117k).

The notes on pages 89 to 113 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2021-22 £000	2020-21 £000
Cash flows from operating activities			
Net operating expenditure		(157,138)	(163,555)
Other cash flow adjustments	5.2	29,949	30,347
Movement in working capital	5.1	(26,125)	(7,127)
Provisions utilised	4.7	(6,257)	(2,911)
Net cash (outflow) from operating activities		(159,571)	(143,246)
Cash flows from investing activities			
Purchase of property, plant and equipment	4.2	(7,898)	(18,916)
Purchase of intangible assets	4.1	(10,499)	(17,444)
Net cash inflow/(outflow) from investing activities		(18,397)	(36,360)
Cash flows from financing activities			
Net Parliamentary Funding		181,531	164,980
Net financing		181,531	164,980
Net increase/(decrease) in cash and cash equivalents		3,563	(14,626)
Cash and cash equivalents at 31 March 2021	4.5	10,216	24,842
Cash and cash equivalents at 31 March 2022	4.5	13,779	10,216

The notes on pages 89 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) 2021-22, issued by HM Treasury, and the Department of Health and Social Care Group Accounting Manual (GAM) 2021-22. The accounting policies contained in the FReM and GAM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM or GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHSBSA for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Conventions

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

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

The key critical judgements and estimations that management have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in financial statements relate to the valuation of Intangible IT Assets. Indexed historic cost is considered to be a reasonable proxy for replacement cost, and is used in our depreciated replacement cost valuation for all but our four major IT systems. Independent replacement cost valuations were carried out for the Electronic Staff Record and Prescription Processing systems as at 31 March 2020, and for the NHS Pensions Administration and Dental Payments systems as at 31 March 2022. As is common with valuations of this nature, the valuations of the Prescription Processing, NHS Pensions Administration and Dental Payments systems were expressed as being within a range. We assessed these ranges, using our experience of the software development market, and determined that the higher end of the ranges best represented the public sector position on both risk and retaining skilled roles within the United Kingdom, with lower levels of offshoring of development work than might be seen in the private sector.

1.2 Income & Expenditure

1.2.1 Income

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

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

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

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

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

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

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

1.2.2 Expenditure

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

1.2.3 Grants Payable

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

1.3 Taxation

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

1.4 Property, Plant & Equipment

(a) Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes

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

(b) Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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

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

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

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

(c) Subsequent expenditure

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

1.5 Intangible Assets

(a) Recognition

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

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

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

(b) Measurement

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

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

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

1.6 Depreciation, amortisation and impairments

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

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

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

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 Cash and cash equivalents

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

1.8 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).

1.9 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.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. NHSBSA does not currently have any leases classified as finance leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

1.11 Provisions

Provisions are recognised when NHSBSA has a present legal or constructive obligation as a result of a past event, it is probable that NHSBSA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, and the effect of the time value of money is significant, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

1.12 Financial Instruments

Financial assets

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

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

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

All of NHSBSA's financial assets are measured at amortised cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

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

Impairment

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

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

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. NHSBSA therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and NHSBSA does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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

Financial liabilities

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

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

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

1.13 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2021-22. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2022/23, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 *Leases* – The standard is effective 1 April 2022 as adapted and interpreted by the FReM.
- IFRS 17 *Insurance Contracts* – Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

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

IFRS 16 *Leases* will replace IAS 17 – *Leases*, IFRIC 4 *Determining whether an arrangement contains a lease* and, SIC 27 – *Evaluating the substance of transactions involving the legal form of a lease* and introduces a single, on statement of financial position lease accounting model for lessees.

NHSBSA has estimated the impact of initial application of IFRS 16 as described below.

The NHSBSA will recognise the cumulative effect of adopting the standard at the date of initial application with no restatement of comparative balances.

The most significant impact will be that the NHSBSA will need to recognise right of use assets and lease liabilities of £9.9m relating to buildings leases that meet the recognition criteria in IFRS 16. This £9.9m reflects the net present value of the remaining lease payments discounted at the HM Treasury incremental borrowing rate of 0.95%.

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	
		2021-22 £000	2020-21 £000	2021-22 £000	2020-21 £000	2021-22 £000	2020-21 £000
Statement of Comprehensive Net Expenditure							
Operating income	3.1	(620,010)	(403,922)	(79,316)	(71,008)	(699,326)	(474,930)
Staff costs	3.4	0	0	124,734	112,799	124,734	112,799
Other operating expenditure	3.2	620,010	403,922	111,720	121,764	731,730	525,686
Total operating expenditure		620,010	403,922	236,454	234,563	856,464	638,485
Net Operating Expenditure/(Income)		0	0	157,138	163,555	157,138	163,555
Statement of Financial Position							
Assets		26,461	23,839	174,942	156,648	201,403	180,487
Liabilities		(23,675)	(21,053)	(21,804)	(30,235)	(45,479)	(51,288)
Assets less Liabilities		2,786	2,786	153,138	126,413	155,924	129,199

3. Notes to Statement of Comprehensive Net Expenditure

3.1 Operating income

	2021-22 £000	2020-21 £000
Service Provision revenue from contracts with customers		
Department of Health and Social Care (DHSC) invoiced services	233	2,134
Services to other DHSC Group Bodies	32,292	24,089
Services provided to UK Devolved Administrations and Crown Dependencies	5,327	5,473
NHS Pension Scheme administration recharge	39,776	37,681
Other income	1,688	1,631
	79,316	71,008
Student Support income		
Social Work Bursary and ESG funding from DHSC	67,547	69,057
LSF funding from DHSC	552,463	334,865
	620,010	403,922
Total Operating income	699,326	474,930

3.2 Other operating expenditure (Non-Staff)

	2021-22 £000	2020-21 £000
Service Provision expenditure		
Non-executive members' remuneration	108	108
Rentals under operating leases	2,697	2,788
Establishment expenses	8,007	7,988
Transport	224	339
Premises	15,632	17,232
External contractors	44,447	44,813
Non-cash: Depreciation	5,374	5,588
Amortisation	19,237	16,382
Impairments & reversals intangible	198	3,615
(Profit)/loss on disposal of PPE	62	318
(Profit)/loss on disposal of intangible fixed assets	379	572
Loss on revaluation of PPE	0	1
Notional fee for the audit of the NHS Pension Scheme accounts	139	118
	25,389	26,594
Auditors' remuneration – audit fees	261	160
Legal & Professional fees	13,798	16,797
Other costs	1,157	4,945
	111,720	121,764
Student Support expenditure		
Social Work Bursaries and ESG	67,547	69,057
LSF	552,463	334,865
	620,010	403,922
Total non-staff operating expenditure	731,730	525,686

3.3 Operating leases

Authority as lessee

	2021-22 £000	2020-21 £000
Payments recognised as an expense		
Minimum lease payments	2,697	2,788
	2,697	2,788
Total future minimum lease payments		
Payable:		
Within one year	1,807	2,020
Later than one year and not later than five years	4,394	5,342
Later than five years	1,547	2,187
Total	7,748	9,549

3.4 Staff costs

Executive members and staff costs:

	2021-22 £000	2020-21 £000
Salaries and wages	101,544	92,325
Social security costs	8,955	7,880
Employer contributions to NHS Pensions	15,981	14,584
Other pension costs	551	525
Apprenticeship levy	540	487
Termination costs	431	143
Total	128,002	115,944
Capitalised staff costs	(3,268)	(3,145)
	124,734	112,799

3.5 Net Loss on transfers

Last year, the Authority transferred freehold land and buildings at Stella House to the Government Property Agency on 31st March 2021.

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

	2021-22 £000	2020-21 £000
Property, Plant & Equipment at Net Book Value	0	4,850
Loss/(Gain) on net assets transferred	0	4,850

3.6 Pension costs

Most past and present employees are covered by the provisions of the two 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 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 their 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 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

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 2022 is based on valuation data as 31 March 2021, updated to 31 March 2022 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 Statement of Financial Position

4.1 Intangible assets

4.1.1 Intangible assets 2021-22

	Software Licences £000	Information Technology £000	Development Expenditure £000	Total £000
Cost or Valuation				
At 1 April 2021	6,121	164,280	7,521	177,922
Additions – purchased	9	2,542	7,948	10,499
Reclassifications	(488)	1,539	(722)	329
Disposals	(161)	(736)	0	(897)
Revaluation/Indexation	0	2,160	0	2,160
Impairments	0	(265)	0	(265)
At 31 March 2022	5,481	169,520	14,747	189,748
Amortisation				
At 1 April 2021	1,421	99,033	0	100,454
Charged during the year	2,111	17,126	0	19,237
Reclassifications	(688)	688	0	0
Disposals	(149)	(369)	0	(518)
Revaluation/Indexation	0	(37)	0	(37)
Impairments	0	(63)	0	(63)
At 31 March 2022	2,695	116,378	0	119,073
Net book value at 31 March 2021	4,700	65,247	7,521	77,468
Net book value at 31 March 2022	2,786	53,142	14,747	70,675

4.1.2 Intangible assets 2020-21

	Software Licences £000	Information Technology £000	Development Expenditure £000	Total £000
Cost or Valuation				
At 1 April 2020	4,167	154,246	7,889	166,302
Additions – purchased	4,325	8,642	4,477	17,444
Reclassifications	0	1,230	(1,230)	0
Disposals	(2,371)	(3,924)	0	(6,295)
Indexation	0	4,086	0	4,086
Impairments	0	0	(3,615)	(3,615)
At 31 March 2021	6,121	164,280	7,521	177,922
Amortisation				
At 1 April 2020	2,292	84,888	0	87,180
Charged during the year	1,404	14,978	0	16,382
Disposals	(2,275)	(3,448)	0	(5,723)
Indexation	0	2,615	0	2,615
At 31 March 2021	1,421	99,033	0	100,454
Net book value at 31 March 2020	1,875	69,358	7,889	79,122
Net book value at 31 March 2021	4,700	65,247	7,521	77,468

Bursaries had no Intangible assets during the accounting period (2020-21 – £Nil)

4.1.3 Intangible assets – carrying value of individually material assets

	2022 Gross £000	2022 Net £000	2021 Gross £000	2021 Net £000
Material intangible assets ranked by current year net book value				
Electronic Staff Record System	81,211	16,450	78,364	20,688
NHS Pensions Administration System	16,607	8,947	21,811	12,225
Prescription Processing System	22,698	4,585	21,927	5,814

4.2 Property, Plant and Equipment

4.2.1 Property, Plant and Equipment 2021-22

	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or Valuation						
At 1 April 2021	545	16,230	287	31,794	8,459	57,315
Additions – purchased	0	1,931	0	5,967	0	7,898
Reclassifications	0	0	0	(329)	0	(329)
Disposals	0	0	(6)	(2,740)	0	(2,746)
Gross cost at 31 March 2022	545	18,161	281	34,692	8,459	62,138
Depreciation						
At 1 April 2021	0	6,444	267	9,669	5,852	22,232
Disposals	0	0	(6)	(2,678)	0	(2,684)
Charged during the year	0	1,716	9	2,551	1,098	5,374
At 31 March 2022	0	8,160	270	9,542	6,950	24,922
Net book value at 31 March 2021	545	9,786	20	22,125	2,607	35,083
Net book value at 31 March 2022	545	10,001	11	25,150	1,509	37,216

4.2.2 Property, Plant and Equipment 2020/21

	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or Valuation						
At 1 April 2020	1,415	18,998	287	19,672	7,731	48,103
Additions – purchased	0	787	0	17,401	728	18,916
Disposals	0	0	0	(5,279)	0	(5,279)
Revaluation	585	(160)	0	0	0	425
Transferred to GPA	(1,455)	(3,395)	0	0	0	(4,850)
Gross cost at 31 March 2021	545	16,230	287	31,794	8,459	57,315
Depreciation						
At 1 April 2020	0	4,891	258	11,567	4,960	21,676
Disposals	0	0	0	(4,961)	0	(4,961)
Revaluation	0	(71)	0	0	0	(71)
Charged during the year	0	1,624	9	3,063	892	5,588
At 31 March 2021	0	6,444	267	9,669	5,852	22,232
Net book value at 31 March 2020	1,415	14,107	29	8,105	2,771	26,427
Net book value at 31 March 2021	545	9,786	20	22,125	2,607	35,083

Bursaries had no Property, Plant & Equipment during the accounting period (2020-21 – £Nil)

4.3 Economic Lives of Non-current Assets

	Min Life Years	Max Life Years
Intangible assets		
Software licences	1	20
Information technology	1	20
Development expenditure	1	12
Property, Plant and Equipment		
Buildings excl. dwellings	3	65
Plant & machinery	5	10
Transport equipment	5	7
Information technology	3	10
Furniture & fittings	5	10

4.4 Receivables

	Current	
	31 March 2022 £000	31 March 2021 £000
Trade receivables	32,615	19,692
Accrued income	26,724	18,369
Expected credit loss allowance – contract receivables	(943)	(535)
Prepayments	9,536	9,576
Other receivables	15,075	11,722
Expected credit loss allowance – other receivables	(3,274)	(1,104)
Trade and other receivables	79,733	57,720
Segmental split		
Service Provision	56,361	42,660
Bursaries	23,372	15,060
	79,733	57,720

There are no non-current receivables (2021 – Nil)

4.5 Cash and Cash equivalents

	2021-22 £000	2020-21 £000
Balance at 1 April	10,216	24,842
Net change in the year	3,563	(14,626)
Balance at 31 March	13,779	10,216

Comprising:

	31 March 2022 £000	31 March 2021 £000
Held with the Government Banking Service	13,779	10,215
Commercial banks and cash in hand	0	1
Cash and Cash equivalents	13,779	10,216

Segmental split

Service Provision	10,690	1,437
Bursaries	3,089	8,779
	13,779	10,216

4.6 Trade and other payables

	Current	
	31 March 2022 £000	31 March 2021 £000
Trade payables	2,980	801
Tax and social security	1	1,965
Deferred income	2,945	2,183
Accruals	32,142	36,763
Other payables	2,929	3,397
Trade and other payables	40,997	45,109
Segmental split		
Service Provision	21,006	29,347
Bursaries	19,991	15,762
	40,997	45,109

There are no non-current trade and other payables (2021 – Nil)

4.7 Provisions for liabilities and charges

	Current	
	31 March 2022 £000	31 March 2021 £000
Leasehold property decommissioning	0	0
Legal claims	30	30
Social Work Bursary tuition fee entitlement	3,684	5,291
Total	3,714	5,321

	Non-current	
	31 March 2022 £000	31 March 2021 £000
Leasehold property decommissioning	745	833
Legal claims	23	25
Social Work Bursary tuition fee entitlement	0	0
Total	768	858

Segmental split

Service Provision	798	888
Bursaries	3,684	5,291
	4,482	6,179

	Leasehold Property Decommissioning	Legal claims	Social Work Bursary Tuition Fee Entitlement	Total
	£000	£000	£000	£000
At 31 March 2020	833	40	4,464	5,337
Arising during the year	0	16	6,505	6,521
Utilised during the year	0	(1)	(2,910)	(2,911)
Reversed unused	0	0	(2,768)	(2,768)
At 31 March 2021	833	55	5,291	6,179
Arising during the year	0	0	5,604	5,604
Utilised during the year	(88)	(2)	(6,167)	(6,257)
Reversed unused	0	0	(1,044)	(1,044)
At 31 March 2022	745	53	3,684	4,482
Expected timing of cash-flows:				
Within one year	0	30	3,684	3,714
Later than one year and not later than five years	745	6	0	751
Later than five years	0	17	0	17

Contingencies at 31 March 2022

At 31 March 2022, there were no known contingent assets or liabilities (March 2021: £nil).

4.8 Events after the reporting period

Non-adjusting events

On 31 March 2023, DHSC's shareholding in NHS Shared Business Services Ltd was transferred to NHSBSA as an absorption transfer. The shares were valued at £92.4m and will be held as a financial asset investment in Non Current Assets.

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

5. Notes to Statement of Cash Flows

5.1 Movements in working capital

	2021-22 £000	2020-21 £000
(Increase)/decrease in receivables within 1 year	(22,013)	(23,522)
Increase/(decrease) in payables within 1 year	(4,112)	16,395
Total	(26,125)	(7,127)

5.2 Other cash flow adjustments

	2021-22 £000	2020-21 £000
Depreciation	5,374	5,588
Amortisation	19,237	16,382
Impairments and reversals	198	3,615
(Profit)/Loss on disposal of assets	441	890
Loss on revaluation of property plant and equipment	0	1
Notional Costs	139	118
Provisions – Arising in Year	5,604	6,521
Provisions – Reversed unused	(1,044)	(2,768)
Total	29,949	30,347

6. Related Party Transactions

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

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

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

7. Other commitments

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

	31 March 2022 £000	31 March 2021 £000
In one year or less	47,706	37,253
In more than one year but not more than five years	103,388	90,649
In more than five years	0	0
Total	151,094	127,902

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'	At 'amortised cost'	At 'fair value through other comprehensive income'	Total
	£000	£000	£000	£000
Trade receivables	0	19,157	0	19,157
Other receivables (restated)*	0	24,821	0	24,821
Cash at bank and in hand	0	10,216	0	10,216
Total at 31 March 2021	0	54,194	0	54,194
Trade receivables	0	31,672	0	31,672
Other receivables	0	37,740	0	37,740
Cash at bank and in hand	0	13,779	0	13,779
Total at 31 March 2022	0	83,191	0	83,191

* Restated to exclude HMRC balances of £4,166k, in line with the FReM adaptation of IAS 32 – Financial Instruments: Presentation

8.2 Financial Liabilities

	At 'fair value through profit and loss'	At 'amortised cost'	Total
	£000	£000	£000
Trade Payables	0	801	801
Other payables (restated)*	0	3,397	3,397
Other financial liabilities	0	42,887	42,887
Total at 31 March 2021	0	47,085	47,085
Trade Payables	0	2,980	2,980
Other payables	0	2,929	2,929
Other financial liabilities	0	36,571	36,571
Total at 31 March 2022	0	42,480	42,480

* Restated to exclude HMRC balances of £1,965k, in line with the FReM adaptation of IAS 32 – Financial Instruments: Presentation

8.3 Maturity of financial liabilities

	31 March 2022	31 March 2021 Restated*
	£000	£000
In one year or less	41,735	46,252
In more than one year but not more than five years	745	833
In more than five years	0	0
Total	42,480	47,085

* "In one year or less" restated to exclude HMRC balances of £1,965k, in line in line with the FReM adaptation of IAS 32 – Financial Instruments: Presentation

