

# **Supplier Bootcamp Report: Pensioner Payroll Services**

Project Name: Pensions Re-procurement  
Project ID: CA1071

## **Document purpose**

The purpose of this document is to:

- Document and publicise the outcomes of the Supplier Bootcamp for Pensioner Payroll Services;
- Provide a public record of the outcomes of the Supplier Bootcamp;
- Ensure compliance with EU and UK procurement legislation.

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## 1. Executive Summary

This Supplier Bootcamp Report for Pensioner Payroll Services is intended to be readily available to all interested parties and has been made publicly available through the NHS Business Services Authority (NHSBSA) website.

The NHSBSA is preparing to go to market to re-procure our Pensioner Payroll Services function. The timing of the re-procurement of the Pensioner Payroll Services is driven by the expiry of the current contract with Equiniti Paymaster (EP) on 22 July 2017.

During the week of 5 October 2015, the NHSBSA presented to and met with a cross-section of the market at the London office of its advisers, PwC LLP.

Meeting with a cross-section of the market the NHSBSA worked to ensure that we acted in a fair and transparent manner to build our profile and credibility with the market place through the presentation of a fair, transparent and inclusive procurement process. We also want to ensure that we create a level playing field for the future re-procurement.

Interested parties registered to attend a presentation and Individual Supplier Meetings (ISM) with the NHSBSA following an advertisement through the Official Journal of the European Union (OJEU) by means of a Prior Information Notice (PIN). The PIN was published on Friday 25 September 2015.

A presentation was delivered by the NHSBSA to all registered suppliers present on the morning of 7 October 2015 and this was then followed by ISM.

12 suppliers attended the presentation and 10 joined the NHSBSA for ISM, details of those which attended are contained in Appendix 1.

The suppliers included specialists in pensions administration, employee benefits, payroll and Business Process Outsourcing (BPO). Each meeting was attended by 7 employees of the NHSBSA representing a mix of Strategic Sourcing, Operational and Specialist Technical and a maximum of 3 attendees from each supplier. All ISM lasted for a maximum of 1 hour.

Each ISM was structured around both parties asking questions with the emphasis being on suppliers asking questions of the NHSBSA.

The NHSBSA had 4 set questions to ask during the ISM and they are set out in part 3 of this report.

The key outputs of this report are to:

- act as a public record of the Supplier Bootcamp;
- document for all interested parties the output of the ISM identifying the key findings, themes and principles;
- for the NHSBSA to use the findings of the Supplier Bootcamp to assist in the development of the:
  - Business requirements and specifications;
  - The Pensioner Payroll Services contract based on the Government Legal Services Model Services Agreement (GLSMSA);
  - Selection and Award Criteria; and
  - The term of the future agreement.

This report contains the following:

- As well as the 4 NHSBSA questions the following type and quantity of questions were asked by suppliers:

<b>Type of question*</b>	<b>Number of questions</b>
Operational	15
Procurement process	7
Scope	6
Customer experience – Digital	3
Data	3
Approval process	2
Location	2
Technical	2
Assets	1
Information governance	1
Legal	1
Payroll software application	1
Policy and legislation	1
Transition	1
TUPE	1

<b>Total number of questions</b>	<b>47</b>
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\* In order of sequence as they appear in the document.

- commentary on the Presentation delivered by the NHSBSA at part 2 of this report – copies of the Presentation slides can be found at Appendix 3 of this report;
- commentary on ISM at part 3 of this report summary of the supplier responses received based on the NHSBSA's 4 questions, at part 4 of this report; and
- summary of the questions posed to the NHSBSA by the suppliers, and the NHSBSA's responses, at part 5 of this report.

In terms of next steps, the NHSBSA has set out the following indicative, non-binding timetable for the procurement process (please note that this subject to change):

1. Publication of the Supplier Bootcamp Outcomes (this report) – January 2016
2. Issue of the Contract Notice in the OJEU – Early April 2016

*If the Competitive Procedure with Negotiation is used:*

4. Invitation to submit an Initial Tender – End of June 2016
5. Issue standstill letters – Early February 2017

The NHSBSA does not make any commitment to using a particular procurement procedure at this stage.

The NHSBSA does not commit (through the answers given or otherwise) to any particular scope of services for payroll or for the other service components, does not commit to any timescales, and may delay the start of any procurement process, or suspend, amend or terminate any procurement process that is started, and is not committing to awarding a contract.

The NHSBSA gives no warranty on the information presented within this document or related documents.

The NHSBSA will not be liable for any costs, expenditure, work or effort incurred by a supplier in proceeding with or participating in the Supplier Bootcamp, any other pre-procurement market engagement or any procurement process, including if any such procurement process is delayed, suspended, amended or terminated by the NHSBSA.

## 2. Presentation

The Supplier Bootcamp opened with a presentation delivered by 5 members of the NHSBSA team. The presentation was based on the slides set out in Appendix 2 of this report. The topics highlighted by the NHSBSA during the course of the presentation are outlined below.

The NHSBSA explained that the concept of the Supplier Bootcamp was to:

- Continue the process of communication to the market about the forthcoming procurement for Pensioner Payroll Services;
- Provide the market with an overview of the Pensioner Payroll Services strategy, including a view of the Current State Assessment (CSA) and Future State Assessment (FSA);
- Provide an opportunity for suppliers to ask members of the NHSBSA's business and project teams questions on the outline procurement strategy (both current and future states of service); and
- Update NHSBSA's level of market knowledge from its last engagement with the market in November 2014.

The NHSBSA made it clear that its particular Pensioner Payroll Services requirements would be disclosed at a later date in a detailed specification.

The key messages the NHSBSA gave to the market through the Supplier Bootcamp are set out below:

- The NHS pension scheme itself has around £10bn worth of contributions per annum. Within the scheme there are various scheme Members including Officer Members, Practitioner Members, Deferred Members and Benefit Recipients;
- The NHSBSA informed suppliers that different pension schemes also involve the application of different rules, which adds to the complexity of the NHS Pension Scheme, hence Pensioner Payroll Services needs to go out the market promptly due to risk and complexity associated with it;
- A key challenge for the successful supplier in this procurement will be to manage the large number of payments made each month – Approximately 828,000 with a

net growth of 3,000 payments per month. A further challenge will be the requirement for payments to be made every working day with an uneven spread during each month.

The first part of the presentation focused on an introduction to the NHSBSA, the Project Team structure and a description of the NHS Pensions operation and its key characteristics.

Current State Assessment (CSA) and Future State Assessment (FSA) were shared with those in attendance outlining the Pensioner Payroll Service as it is structured now and how it may be structured moving forward.

The final part of the presentation focused on informing suppliers of the path to securing approval to procure and award, the key elements of the procurement including (but not limited to) the expected OJEU procedure to be used (Competitive Procedure with Negotiation), procurement timeline and the use of the Bravo Solutions e-tendering web portal.



### 3. Individual Supplier Meetings

Individual Supplier Meetings (ISM) with the NHSBSA team took place following the completion of the NHSBSA presentation. Each ISM was structured around both parties asking questions with the emphasis being on suppliers asking questions of the NHSBSA relating to the NHSBSA requirement, the previously delivered presentation, documents to be held in the Data Room and the procurement process.

The NHSBSA had internally pre-agreed a set of questions for suppliers, and both the questions and key messages can be found in part 4 of this report.

Individual supplier sessions were structured as follows:

- Duration: 1 hour
  - 45 minutes for question and answer; and
  - 15 minutes for wash-up.
- As indicated in the letter sent to suppliers attending the Supplier Bootcamp on 2 October 2015 notes were taken from each individual supplier session by the NHSBSA, and the key messages are included in this report to be shared with all interested parties.

## 4. NHSBSA Questions and Attendee Answers

The NHSBSA posed 4 questions to each of the suppliers who attended an ISM. Each of the questions and the insight provided by the answers can be found below:

<b>NHSBSA question 1</b>
<p><b>Having seen and heard what has been presented to you in the open forum:</b></p> <ul style="list-style-type: none"><li>• <b>Are you currently minded to move forward in the process?</b></li><li>• <b>If so is there anything you would change to make the bid more attractive to your organisation?</b></li><li>• <b>If you are not interested in bidding would you tell us why and also what would make you reevaluate your appetite to bid?</b></li></ul>
<b>Supplier answers to question 1</b>
<p>The answers provided to question 1 have given the NHSBSA the following insights:</p> <ul style="list-style-type: none"><li>• The scale of NHS Pensions Scheme payroll is attractive but a risk due to the high volume and payment schedule.</li><li>• The length of procurement (including the approval process) and costs associated will be a factor influencing supplier decisions to participate in the process.</li><li>• The pension specialists and BPO suppliers would find a procurement including Administration in addition to Pensioner Payroll Services an attractive proposition.</li><li>• The majority of suppliers are attracted to the procurement and will maintain an interest and re-evaluate their position upon publication of the OJEU Contract Notice.</li><li>• A minimum of seven years was the common expectation for contract duration to accommodate transition and transformation of the Service, and to ensure supplier return on investment.</li></ul>

## NHSBSA question 2

Having now seen the procurement timeline what do you consider are:

- Areas that could improve the procurement timescales?
- Areas that would cause any concern to you as a bidder?

## Supplier answers to question 2

Suppliers provided the following comments in response to question 2:

- NHSBSA could complete a forensic data audit and comprehensive data cleanse in preparation for onboarding of supplier prior to commencement of transition.
- By providing further granularity of the NHSBSA requirements for Pensioner Payroll Services.
- NHSBSA could extend the programme transition time.

Suppliers communicated a number of areas of concern:

- The biggest risk expressed by the majority of suppliers was the allocated transition time of five months. To make this transition time allocation achievable the NHSBSA would have to conduct preparatory work. This would include an independent data audit on the quality of the data and a cleansing programme. For such a large and complex Scheme the five months of transition will not be sufficient for most suppliers and risk and complexity could mean an extended transition period would be required (up to nine months). There was a difference in opinion of some suppliers as to what was an acceptable duration for transition. Some suppliers said they could achieve transition within the five month period.
- The scale of NHS Pensions Scheme payroll due to the high volume and payment schedule poses an operational and reputational risk impact to suppliers.
- The cost of participating in the procurement is perceived by some suppliers to be high. The potential high cost of bidding is a factor which impacts senior management buy-in and investment when deciding whether to participate in the process or not.
- If the quality of the data for transition is poor it can negatively impact the smooth transition leading to potential reputational damage for suppliers.
- Potential for knowledge loss if a new supplier is appointed and the Subject Matter Experts (SMES) employed by the incumbent supplier leave in advance of transition.
- The approval process duration for the Outline Business Case (OBC) and Full Business Case (FBC) adds extra time into the procurement timescales and can take time away from other important areas of activity such as transition.

### NHSBSA question 3

**Are there any areas of innovation and change that the NHSBSA should provision for in its requirements and the contract?**

### Supplier answers to question 3

Suppliers provided the following feedback:

- Member engagement is where innovation would really occur rather than Pensioner Payroll Services.
- Consideration needs to be given to the shift in requirements of Pensioners that will take place. Currently Pensioner's preference is to contact the NHSBSA by telephone and mail (post). This is likely to change increasingly year-on-year as more Pensioners are accustomed to digital channels such as the internet, smartphones and apps.
- Reduce the number of:
  - interfaces between systems; and
  - hand-offs of data.
- Digitise Pensioner Payroll Services processes to improve efficiency and the effectiveness of service.
- Offer a web portal facility to Pensioners allowing them the opportunity to "self-serve".
- Offer access to payslips and P60's through digital devices such as:
  - PC;
  - Tablet; and
  - Smartphone.

#### **NHSBSA question 4**

- **Would part of your envisaged solution rely upon services provided outside of the U.K?**
- **If so which location(s) would the services be delivered from?**

#### **Supplier answers to question 4**

All suppliers confirmed that they could offer service either onshore or offshore to the NHSBSA and that it would be the customer's preference where services would be provided from and where data would be stored.

Some of the locations proposed as offshoring options are set out below:

- Poland;
- India; and
- The Philippines.

## 5. Attendee Questions and NHSBSA Answers

During the ISM suppliers were given opportunity to ask NHSBSA questions relating to the presentation delivered and the Pensioner Payroll Services and procurement. Each of the questions asked have been grouped and consolidated and a summary of the responses can be found below:

<b>Supplier question 1 (OPERATIONAL)</b>
<b>What makes the NHSBSA nervous about the next 2 years?</b>
<b>NHSBSA answer to question 1</b>
<ul style="list-style-type: none"><li>• The ability to be ready for the transition (aka “operational readiness”) causing:<ul style="list-style-type: none"><li>○ Additional activity required on top of BAU.</li></ul></li><li>• Choosing the right provider to partner NHSBSA through the transition journey and beyond.</li></ul>

<b>Supplier question 2 (OPERATIONAL)</b>
<b>What service levels are currently in place for the provision of Pensioner Payroll Services with the incumbent supplier?</b>
<b>NHSBSA answer to question 2</b>
<ul style="list-style-type: none"><li>• Service levels are mainly based on pension payments being made on time and accurately.</li></ul>

<b>Supplier question 3 (OPERATIONAL)</b>
<b>What are the main challenges to Pensioner Payroll Services today?</b>
<b>NHSBSA answer to question 3</b>
<ul style="list-style-type: none"><li>• The amount of paper moving through the system:<ul style="list-style-type: none"><li>○ Forms; and</li><li>○ Letters.</li></ul></li><li>• Time delays (as a result of amount of paper moving through system).</li></ul>

<b>Supplier question 4 (OPERATIONAL)</b>
<b>What will happen with administration from Payroll?</b>
<b>NHSBSA answer to question 4</b>
<ul style="list-style-type: none"> <li>NHSBSA is still working on its procurement strategy for other service components.</li> </ul>

<b>Supplier question 5 (OPERATIONAL)</b>
<b>How are overseas payments made?</b>
<b>NHSBSA answer to question 5</b>
<ul style="list-style-type: none"> <li>Overseas payments are made by Equiniti in conjunction with Citi, their banking partner.</li> </ul>

<b>Supplier question 6 (OPERATIONAL)</b>
<b>Does a Member move directly from administration system to payroll system?</b>
<b>NHSBSA answer to question 6</b>
<ul style="list-style-type: none"> <li>72% of transfers are automated; and</li> <li>28% are manual awards.</li> </ul>

<b>Supplier question 7 (OPERATIONAL)</b>
<b>How do Pensioners contact the NHSBSA?</b>
<b>NHSBSA answer to question 7</b>
<ul style="list-style-type: none"> <li>The usual methods of communication are: <ul style="list-style-type: none"> <li>Post; and</li> <li>Telephone.</li> </ul> </li> </ul>

<b>Supplier question 8 (OPERATIONAL)</b>
<b>Is there a NHSBSA formal sign-off of the daily payments?</b>
<b>NHSBSA answer to question 8</b>
<ul style="list-style-type: none"> <li>The Pensioner Payroll Services are currently contracted and therefore sign-off is conducted by the incumbent supplier.</li> </ul>

**Supplier question 9 (OPERATIONAL)**

**How often are changes made to Pensioner payment dates? (at the request of the pensioner)**

**NHSBSA answer to question 9**

- The payment date set for Pensioners is usually their birthday as that is the date they normally retire. There are not a significant number of requests to change the payment date.

**Supplier question 10 (OPERATIONAL)**

**What are customer (Pensioner) satisfaction levels?**

**NHSBSA answer to question 10**

- The percentage of satisfied Pensioner's is in the upper nineties.

**Supplier question 11 (OPERATIONAL)**

**Of the customer (Pensioner) satisfaction surveys undertaken what would NHSBSA want to see different in the responses?**

**NHSBSA answer to question 11**

- Recognition of seamless transition from Member to Pensioner;
- Shift in communication channels (will not be mandated);
- Ability to transfer data electronically between administration service and payroll service.

**Supplier question 12 (OPERATIONAL)**

**What works well with the current service and what would the NHSBSA change?**

**NHSBSA answer to question 12**

- The service to Pensioners is upper quartile.
- Any changes will be made because it makes sense to the NHSBSA to make the change.



**Supplier question 13 (OPERATIONAL)**

**Why does the NHSBSA have daily Pensioner Payroll payment runs?**

**NHSBSA answer to question 13**

- To reduce risk based on the volume of payments made per month (Approximately 828,000)

**Supplier question 14 (OPERATIONAL)**

**Would the NHSBSA consider changing from daily Pensioner Payroll payment runs?**

**NHSBSA answer to question 14**

- A decision is pending. The NHSBSA's position on this will be confirmed in the procurement documents to be released with the OJEU Contract Notice. If the NHSBSA chooses to permit proposals from Bidders that depart from the daily payment run, the alternatives proposed and benefits offered would be evaluated through appropriate stages of the procurement.

**Supplier question 15 (OPERATIONAL)**

**If, as described during the presentation delivered on 7 October 2015, Administration and Pensioner Payroll Services is disaggregated how will the Member / Pensioner experience be impacted?**

**NHSBSA answer to question 15**

- The NHSBSA has a Target Operating Model (TOM) which is customer centric and ensures the service provision is seamless to Members and Pensioners.
- The NHSBSA expects to work in partnership with the appointed providers of Administration and Pensioner Payroll Services to ensure there will be a seamless provision of service to Members and Pensioners.
- All service providers will be working together to ensure seamless customer experience, for example passing of queries to most appropriate provider.
- Interface and hand-off management will be a key component of ensuring this seamless provision of service to Members and Pensioners.

**Supplier question 16 (PROCUREMENT PROCESS)**

**How will the procurement process operate?**

**NHSBSA answer to question 16**

- The NHSBSA's current intention is to use the OJEU Competitive Procedure with Negotiation.
- A Pre-Qualification Questionnaire (PQQ) process will be used to evaluate the financial and economic standing of bidders, their technical capability and capacity, and professional suitability.
- Upon completion of the PQQ stage there will be a shortlist of suppliers taken through to the next stage of the procurement. If the OJEU Competitive Procedure with Negotiation is used shortlisted suppliers will be invited to submit initial tenders and the NHSBSA will reserve the right to award the contract on the basis of the Initial Tenders without conducting negotiations.
- Notwithstanding the NHSBSA's reservation of its right to award on the basis of Initial Tenders. We have allowed a period of between 6 to 8 weeks for negotiations should these be required.

**Supplier question 17 (PROCUREMENT PROCESS)**

**What is the expected value of the Pensioner Payroll Services contract over its duration?**

**NHSBSA answer to question 17**

- Approximately £15m total over a whole-life contract term of 7 years.

**Supplier question 18 (PROCUREMENT PROCESS)**

**Is there a CCS Framework available the NHSBSA could use?**

**NHSBSA answer to question 18**

- Having carried out due diligence on the CCS Frameworks available their scope does not incorporate the Pensioner Payroll Services the NHSBSA require.

**Supplier question 19 (PROCUREMENT PROCESS)**

**Will the terms and conditions of contract (Government Legal Services Model Services Agreement) be negotiable?**

**NHSBSA answer to question 19**

- Should the NHSBSA deem negotiations necessary elements of the terms and conditions of contract may be negotiable. The majority of the Government Legal Services Model Services Agreement is “locked-down”.

**Supplier question 20 (PROCUREMENT PROCESS)**

**What is the split between quality and price in the evaluation criteria?**

**NHSBSA answer to question 20**

- NHSBSA cannot divulge this information. It will be released with the OJEU Contract Notice and accompanying documentation.

**Supplier question 21 (PROCUREMENT PROCESS)**

**Is it the objective of this procurement to deliver 50% operational cost reduction? (Taken from ‘NHSBSA Strategy 2015 – 2020 and beyond’)**

**NHSBSA answer to question 21**

- It is the objective of all procurements within the NHSBSA to deliver all of the organisations strategic goals.

**Supplier question 22 (PROCUREMENT PROCESS)**

**Will there be opportunity to meet with senior NHSBSA stakeholders?**

**NHSBSA answer to question 22**

- If it is appropriate for suppliers to engage with senior NHSBSA stakeholders this will be in a fair and transparent fashion, and be in the interest of competition. This may take the form of an open forum and / or webinar.

## Supplier question 23 (SCOPE)

### What is the scope to be taken forward for Pensioner Payroll Services?

#### NHSBSA answer to question 23

The proposed scope of the Pensioner Payroll Service moving forward is:-

- Pension, lump sum and injury benefit payments including the creation of payment files (by BACS, cheque or CHAPS/Faster Payment).
- Deduction of income tax and adjustments to income tax deductions resulting from changes in tax codes Voluntary and mandatory deductions from all payments including deductions for child support and charitable giving such as 'Pennies from heaven'.
- Amendments/Adjustments to payments resulting from instructions received from the Administration Service provider.
- Cessation or Suspensions of payments resulting from instructions received from the Administration Service provider.
- Calculation of underpayments and overpayments of pension and injury benefits following the adjustment, cessation or suspension.
- Payment of arrears of pension and injury benefit payments where an underpayment has been identified.
- Provision of overpayment information to a Debt Recovery Service provider
- Management of all BACS payment rejections and re-directions.
- Management of unclaimed payable orders.
- Changes to personal, payment, or payee data resulting from instructions received from the Administration Service provider.
- Provision of information to the Administration Service provider upon request. Requests will relate to customer enquiries, complaints, disputes, Freedom of Information requests and Subject Access requests.
- Provision of Management Information to NHS Business Services Authority.
- Production and distribution of P60's
- Distribution of newsletters and customer satisfaction surveys
- Document scanning (and associated storage of paper and electronic documents)
- Accounting and financial reconciliation of all cash that flows through the Pensioner Payroll bank account

It is proposed that the following activities will form part of the Administration Service. The output from each activity will result in an instruction to the Pensioner Payroll Service:-

- Assessment and potential re-calculation of pension entitlement for all re-employed pensioners.
- Calculation of payment adjustments relating to all cost of living increases.
- Administration of Guaranteed Minimum Pension and potential adjustment to future cost of living increases.
- Tracing benefit recipients where post has been returned.
- Assessment of cessation of pension payments upon notification of death or re-marriage/co-habitation of a surviving spouse/partner
- National Fraud Initiative:-
  - Providing information to Cabinet Office and analysing results
  - Assessment of entitlement to benefits

- Assessment of entitlement to benefits being paid to dependent children who are in full-time education.
- Assessment of continuing entitlement to benefits for payments being made to overseas bank accounts.
- Drafting/Publication of newsletters and customer satisfaction surveys.

The NHSBSA is finalising its scope and Supplier Bootcamps are an input to completing this task.

#### **Supplier question 24 (SCOPE)**

**Is transformation included in the scope of the procurement for Pensioner Payroll Services?**

#### **NHSBSA answer to question 24**

- Yes. The NHSBSA expects to include requirements in relation to transformation within this procurement.

#### **Supplier question 25 (SCOPE)**

**What are the characteristics of the provider the NHSBSA is looking to appoint?**

#### **NHSBSA answer to question 25**

- Following the procurement process the Bidder that is deemed to be the best supplier of Pensioner Payroll Services in accordance with the NHSBSA Evaluation Criteria and scoring methodology will be appointed. At the moment the NHSBSA is developing the Evaluation Criteria and therefore we cannot make further comment.

#### **Supplier question 26 (SCOPE)**

**Disaggregation – what are the objectives?**

#### **NHSBSA answer to question 26**

- Disaggregation is an expectation from Cabinet Office of its Departments and their Arm's Length Bodies (ALBs) to achieve better value for money, reduced risk and an improved strategic fit to Central Government initiatives, such as the Government Digital Service (GDS) "Digital-by-Default".

**Supplier question 27 (SCOPE)**

**Why are Pensioner Payroll Services going out to market separate to the rest of the pension administration service?**

**NHSBSA answer to question 27**

- The NHSBSA wants to give itself as much time possible to transition complex critical services and for this reason we are progressing with the procurement of Pensioner Payroll Services promptly; and
- This will reduce the risk of Pensioners not being paid on time.

**Supplier question 28 (SCOPE)**

**Why is the NHSBSA disaggregating administration from Pensioner Payroll Services?**

**NHSBSA answer to question 28**

- Pensioner Payroll is the service component with the greatest complexity and risk attached therefore we are taking this to the market first.
- The NHSBSA need to start the procurement of Pensioner Payroll Services promptly as the agreement with incumbent expires on 22 July 2017.
- Disaggregation is an expectation from Cabinet Office of its Departments and their Arm's Length Bodies (ALBs) to achieve better value for money, reduced risk and an improved strategic fit to Central Government initiatives, such as the Government Digital Service (GDS) "Digital-by-Default".
- NHSBSA is still working on its strategy for other service components.

**Supplier question 29 (CUSTOMER EXPERIENCE – DIGITAL)**

**Is there an emphasis on developing the Member experience and web access for Members?**

**NHSBSA answer to question 29**

- At present the NHSBSA does not have a website that supports Members / Pensioners as the content is all static or in PDF.
- The NHSBSA's overarching objective for the Pensions Service is to develop an interactive online presence for Members / Pensioners to improve the customer experience. Particularly in the context of Pensioner Payroll Services a shift to a "digital experience" will occur in the medium to long-term as Pensioners expectations change over time.

**Supplier question 30 (CUSTOMER EXPERIENCE - DIGITAL)**

**Is mobile technology of interest to the NHSBSA in the provision of Pensioner Payroll Services?**

**NHSBSA answer to question 30**

- Yes.

**Supplier question 31 (CUSTOMER EXPERIENCE - DIGITAL)**

**Has the NHSBSA surveyed its Pensioner population to understand the appetite for channel shift to digital means of communication?**

**NHSBSA answer to question 31**

Yes, the NHSBSA has found:

- The current Pensioner population still appreciate the “personal touch” of speaking to someone on the telephone or the receipt of a letter. In the context of Pensioner Payroll Services a shift to a “digital experience” will occur in the medium to long-term as Pensioners expectations change over time.
- The NHSBSA will continue to run a multi- channel service to ensure it meets the needs of all Pensioners.

**Supplier question 32 (DATA)**

**Is there clarity around availability of information on transition from Equiniti?**

**NHSBSA answer to question 32**

- Equiniti Paymaster is obliged by the contractual terms and conditions to provide information which will be shared in the Data Room in accordance with the NHSBSA’s release schedule.

**Supplier question 33 (DATA)**

**Does the NHSBSA have a preference for delivery of Pensioner Payroll Services onshore or offshore?**

**NHSBSA answer to question 33**

- The NHSBSA is currently in the process of clarifying, with our information governance stakeholders the level of security required for Pensioner Payroll Services.

**Supplier question 34 (DATA)**

**Where is payroll data hosted currently?**

**NHSBSA answer to question 34**

- Equiniti hosts the data in its data centres in the UK.

**Supplier question 35 (APPROVAL PROCESS)**

**Detail the approval bodies the NHSBSA must negotiate with to get the necessary approvals.**

**NHSBSA answer to question 35**

- NHSBSA:
  - Project Executive
  - Leadership Team
  - Main Board
- Department of Health (DH):
  - Workforce – Project Manager
  - Workforce – Senior Responsible Officer
  - Legal
  - Financial
  - Digital
- Permanent Secretary of State
- Secretary of State
- Government Digital Service (GDS)
- Crown Commercial Service (CCS)
- Complex Transactions Team
- Her Majesty's Treasury (HMT)



**Supplier question 36 (APPROVAL PROCESS)****Will the OBC be published?****NHSBSA answer to question 36**

- At the point when the OBC has been approved a redacted version will be published on the NHSBSA's website.

**Supplier question 37 (LOCATION)****Where are Pensioner Payroll Services currently located?****NHSBSA answer to question 37**

- Payroll services (including elements of Member administration) provided by Equiniti are located in Crawley, Birmingham and Worthing, United Kingdom.
- Administration services (both Member and elements of Pensioner administration) provided by the NHSBSA are located in Fleetwood and Newcastle-upon-Tyne, United Kingdom.

**Supplier question 38 (LOCATION)****Will the successful bidder need a presence in Fleetwood?****NHSBSA answer to question 38**

- The payroll provider will not be mandated to have a physical presence in Fleetwood, but clearly they would need to ensure there are appropriate links / connections to the Administration Provider.

**Supplier question 39 (TECHNICAL)****Does the NHSBSA have an infrastructure landscape diagram including interfaces?****NHSBSA answer to question 39**

- Yes, and this will be shared at the appropriate stage of the procurement in the Data Room.

**Supplier question 40 (TECHNICAL)****Does the NHSBSA have a technology integration strategy?****NHSBSA answer to question 40**

- The NHSBSA will work with the market to define the level of integration required.
- The NHSBSA has a Target Operating Model (TOM) which is customer centric and ensures the service provision is seamless to Members and Pensioners. Technology will support the TOM. The TOM will be shared at the appropriate stage of the procurement in the Data Room.

**Supplier question 41 (ASSETS)****Who owns the Pensioner Payroll Services assets?****NHSBSA answer to question 41**

- The NHSBSA has contracted for the provision of a managed service and therefore does not have ownership of the Pensioner Payroll Services assets.
- There are contractual terms and conditions in place to deal with the assets at point of exit.

**Supplier question 42 (INFORMATION GOVERNANCE)****Is there a particular security environment such as IL3 for example that we need to operate?****NHSBSA answer to question 42**

- NHSBSA is currently in the process of clarifying with its information governance stakeholders the level of security required for Pensioner Payroll Services.

**Supplier question 43 (LEGAL)****Why do the NHSBSA not stay with Equiniti?****NHSBSA answer to question 43**

- The NHSBSA is running an open competition for the services as the current contract is approaching expiry and to get best value-for-money, innovation and an improved member journey.

#### **Supplier question 44 (PAYROLL SOFTWARE APPLICATION)**

**What is the current software application used to administer Pensioner Payroll Services?**

#### **NHSBSA answer to question 44**

- PACE is the current software application used which is proprietary software belonging to Equiniti.

#### **Supplier question 45 (POLICY AND LEGISLATION)**

**Are there any planned major Scheme changes?**

#### **NHSBSA answer to question 45**

- NHSBSA are in continuous dialogue with policy makers.
- NHSBSA are not expecting major Scheme reform similar to that found within the Independent Public Service Pensions Commission: Final Report in the medium term.

#### **Supplier question 46 (TRANSITION)**

**What is the rationale for the 5 months transition allowed for in the project?**

#### **NHSBSA answer to question 46**

- The current services contract ends on 22 July 2017 and NHSBSA is working back from that date. Key processes have to be followed and these take time.
- The NHSBSA is required to follow an OJEU procurement process. The procurement process takes an average six to nine months dependent on the procedure used.
- NHSBSA have external approvals to obtain prior to publishing the OJEU Contact Notice (Outline Business Case) and issuing the Contract Award Notification (Final Business Case) which extends the procurement timelines. This is outside of the NHSBSA control.

**Supplier question 47 (TUPE)****What is the employee profile of payroll?****NHSBSA answer to question 47**

- NHSBSA have only high level knowledge at this stage and have no certainty of numbers.
- This information will be released within the Data Room at the appropriate point during the procurement process.

## Appendix 1 - List of attending organisations to presentation and ISM

Suppliers	Presentation attended	Individual Supplier Meeting attended
Accenture	✓	✓
Atos	✓	✓
Capita	✓	✓
Equiniti Paymaster	✓	✓
IBM	✓	✓
Mercer	✓	X
MidlandHR	✓	X
Mouchel	✓	X
NGA Resources	X	✓
NHS Shared Business Services	✓	✓
Serco	✓	✓
Tata Consulting Services	✓	✓
Towers Watson	✓	✓

## Appendix 2 - Template Invitation Letter to Attendees

*[Insert supplier address here]*

**NHS Business Services Authority**  
Stella House  
Goldcrest Way  
Newburn Riverside Business Park  
NE15 8NY

Tel: 0191 2035487  
Email: [matthew.dann@nhs.net](mailto:matthew.dann@nhs.net)  
Website: [www.nhsbsa.nhs.uk](http://www.nhsbsa.nhs.uk)

Date : *[Insert detail here]*

Dear *[Insert contact name here]*

**Subject: Invitation confirmation to NHSBSA Supplier Bootcamp for Pensions Re-procurement (Project ID: CA1071) – Payroll Services**

Thank you for your organisations response to the NHS Business Services Authority (NHSBSA) Prior Information Notice (PIN) for Payroll Services, advertised through Official Journal of the European Union (OJEU). Enclosed are further details relating to the purpose, times and location of the pre-market engagement activity (the “Supplier Bootcamp”).

The NHSBSA uses a Supplier Bootcamp to support the achievement of its organisational objectives, optimising value for money and seeking the best outcomes for our customers.

Your organisation’s involvement with the NHSBSA at the Supplier Bootcamp is an invaluable way of us ensuring that, with your input, we have the best support and guidance in how we progress with any subsequent procurement.

Supplier Bootcamps ensure we get the necessary knowledge and opinions of suppliers to affirm whether our working assumptions are valid, and to test assumptions we may make in preparing for taking the Payroll Services opportunity to market. The findings from the Supplier Bootcamp will inform our ongoing thinking.

Pre-arranged individual supplier meetings with the NHSBSA will take place following the completion of the NHSBSA presentation. The sessions will take the format of question and answer with suppliers being allowed to ask any questions relating to the NHSBSA requirement, the previously delivered presentation, documents to be held in the Data Room and the procurement process.

Detailed notes will be taken from each individual supplier meeting by the NHSBSA, and the key themes and principles will be included in a report to be drafted and shared with the attendees and published on our website. All content shall be anonymised.

Following receipt of your application to attend the Supplier Bootcamp we would like to invite you to the presentation and individual supplier meeting at the dates, times and locations set out below.

Event	Date	Location	Attendees
Presentation	Wednesday 7 October 2015, 10:00 – 12:30	PwC, Embankment Place Office, 1 Embankment Place, WC2N 6DX	<i>[Insert details here]</i>
Individual supplier meeting	<i>[Insert details here]</i>	<i>[Insert details here]</i>	<i>[Insert details here]</i>

On behalf of the NHSBSA we look forward to meeting with you at the Supplier Bootcamp.

Yours sincerely

Matthew Dann

NHSBSA Contracts Negotiator

**Disclaimers:**

**(1) No competitive advantage will be gained by the suppliers engaging with the NHSBSA at this early stage and NHSBSA will ensure equal treatment of all interested parties at all times.**

**(2) NHSBSA does not bind itself, by conducting this Supplier Bootcamp exercise, to commence any procurement procedure or award any contract, and will not in any event be responsible for any costs incurred by invitees in attending and/or preparing for the presentation and individual supplier meeting referred to above.**

**(3) Confidentiality of information which is clearly marked or identified as being confidential and which is reasonably viewed by NHSBSA as confidential will be observed, but NHSBSA does not accept any blanket claims of confidentiality.**



## **Appendix 3 - Introductory Presentation Slides**

Please see attached PDF file entitled NHSBSA 'Pensions Re-Procurement Pensioner Payroll Boot Camp Presentation fv'.