

NHS Pensions Re-Procurement Programme

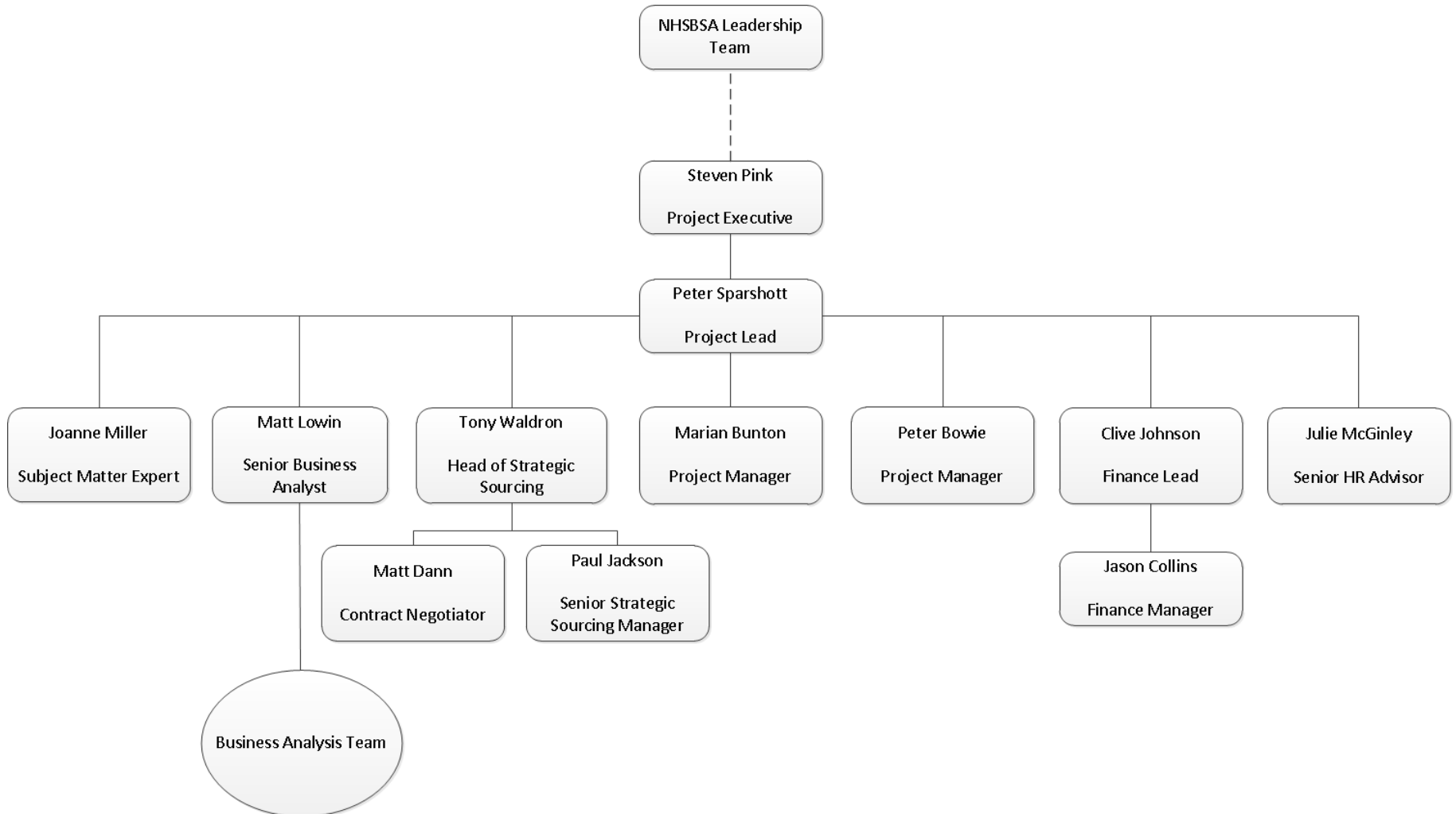
Pensioner Payroll – Supplier Boot Camp

7th October 2015

Introduction to NHS Business Services Authority

Steven Pink – Director of Change and Commercial Delivery

Project Team Organisation Chart



Introduction to NHS Pensions

Joanne Miller – Operations Manager

The NHS Pension Scheme is an unfunded occupational pension scheme, backed by the Exchequer, operating under regulations made by the Secretary of State. The scheme is open to all NHS Employees and employees of other approved organisations covering England and Wales. NHS Pensions receives contributions in the region of £10 billion per annum and makes payments of around £9.5 billion.

The NHS Pension Scheme provides pensions, based on final salary, or career average earnings in certain circumstances, for employees of participating Employing Authorities (EA's).

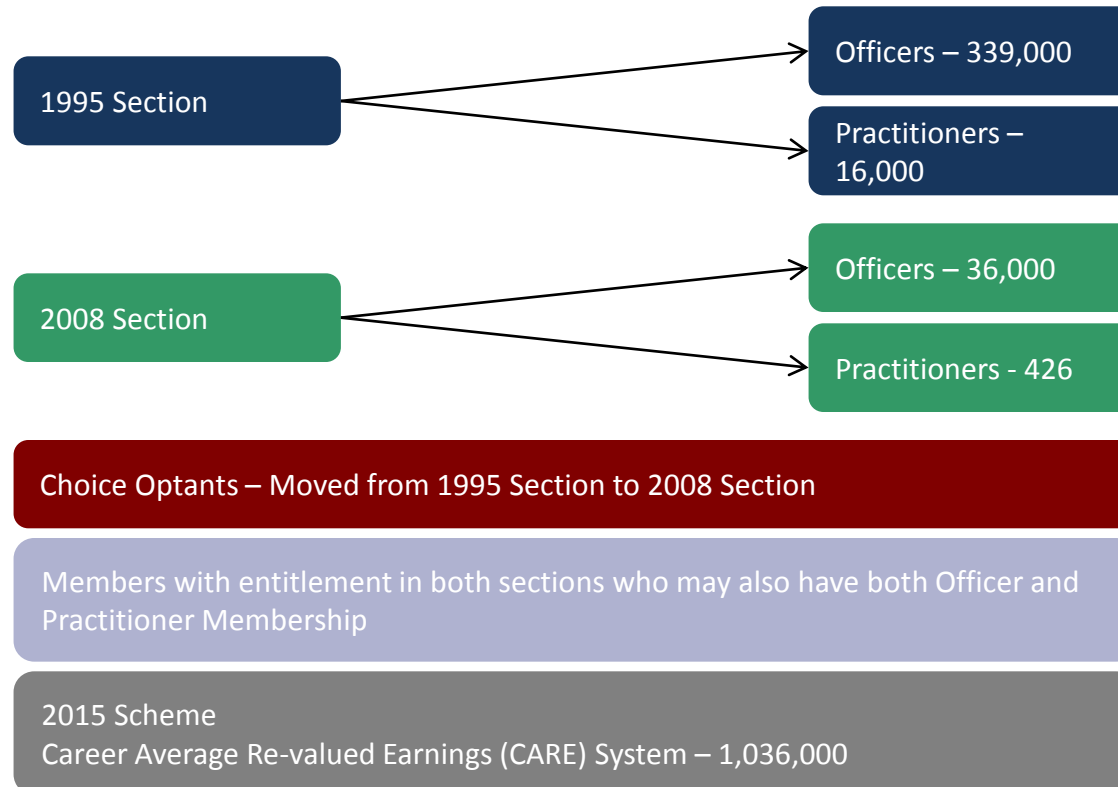
Employing Authorities

Organisation Type	No of Participating Employers
Clinical Commissioning Groups (CCG)	211
Commissioning Support Units (CSUs)	21
Direction Bodies	659
GP Practices	8100
Independent Providers (IP)	24
NHS England (Area Teams)	1
New Fair Deal (NFD)	92
Primary Care Trust (PCT)	9
Local Authorities	141
Special Health Authorities	10
Trust	279
Total	9547

NHS Scheme Membership

Member Type	Volume
Officer Members	1.37million
Practitioner Members	58,000
Deferred Members	583,000
Benefit Recipients	828,000

NHS Pension Scheme Design



Overview of Pensioner Payroll service

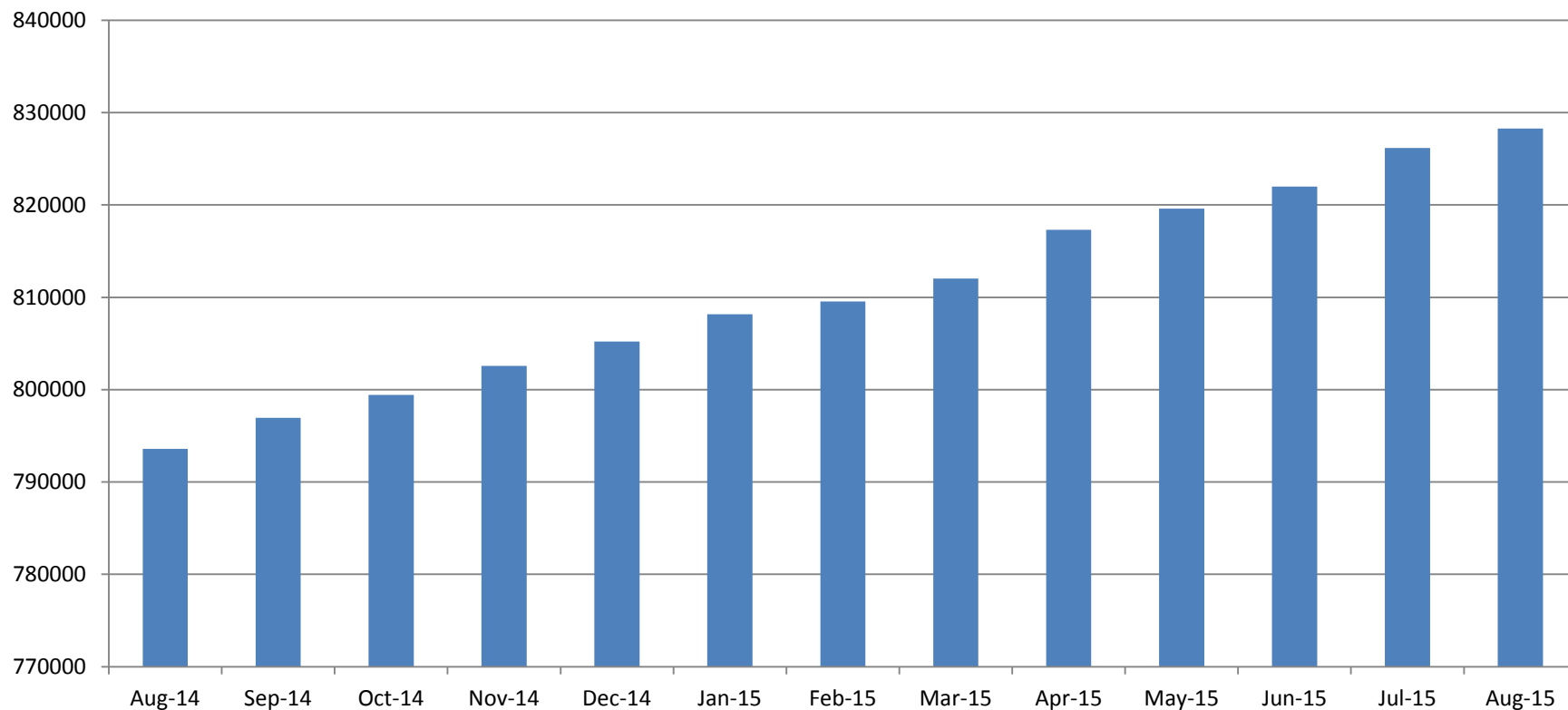
Matt Lowin – Lead Business Analyst

Joanne Miller – Operations Manager

- Administration, accounting and payment of pension benefits to retired NHS Pension Scheme members and their dependents.
- 828,000 payments each month with average growth of around 3,000 payments each month.
- 738,000 paid to pensioners, 10,000 paid to injury benefit recipients, 73,500 paid to surviving spouse/partner, 6,500 paid to dependent children.
- Payments made by BACS, payable order, CHAPs/faster payment or overseas bank transfer.
- Payments made every working day with uneven spread during each month.
- Pensioners often receive a one-off lump sum payment followed by ongoing payment.
- Certain circumstances some can choose to receive a one-off lump sum payment with no ongoing payment.

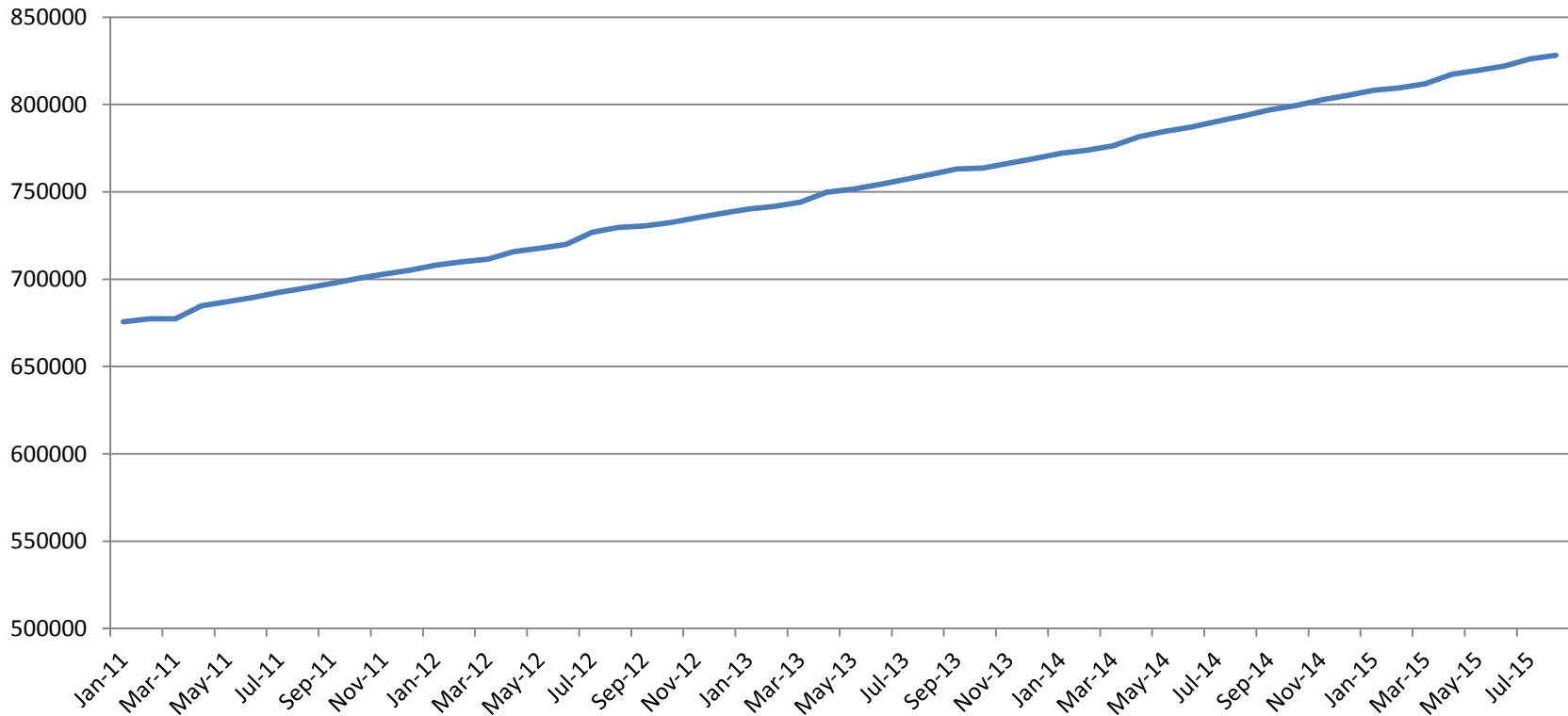
Growth in Pensioner payments – last 12 months

Pensioner Numbers



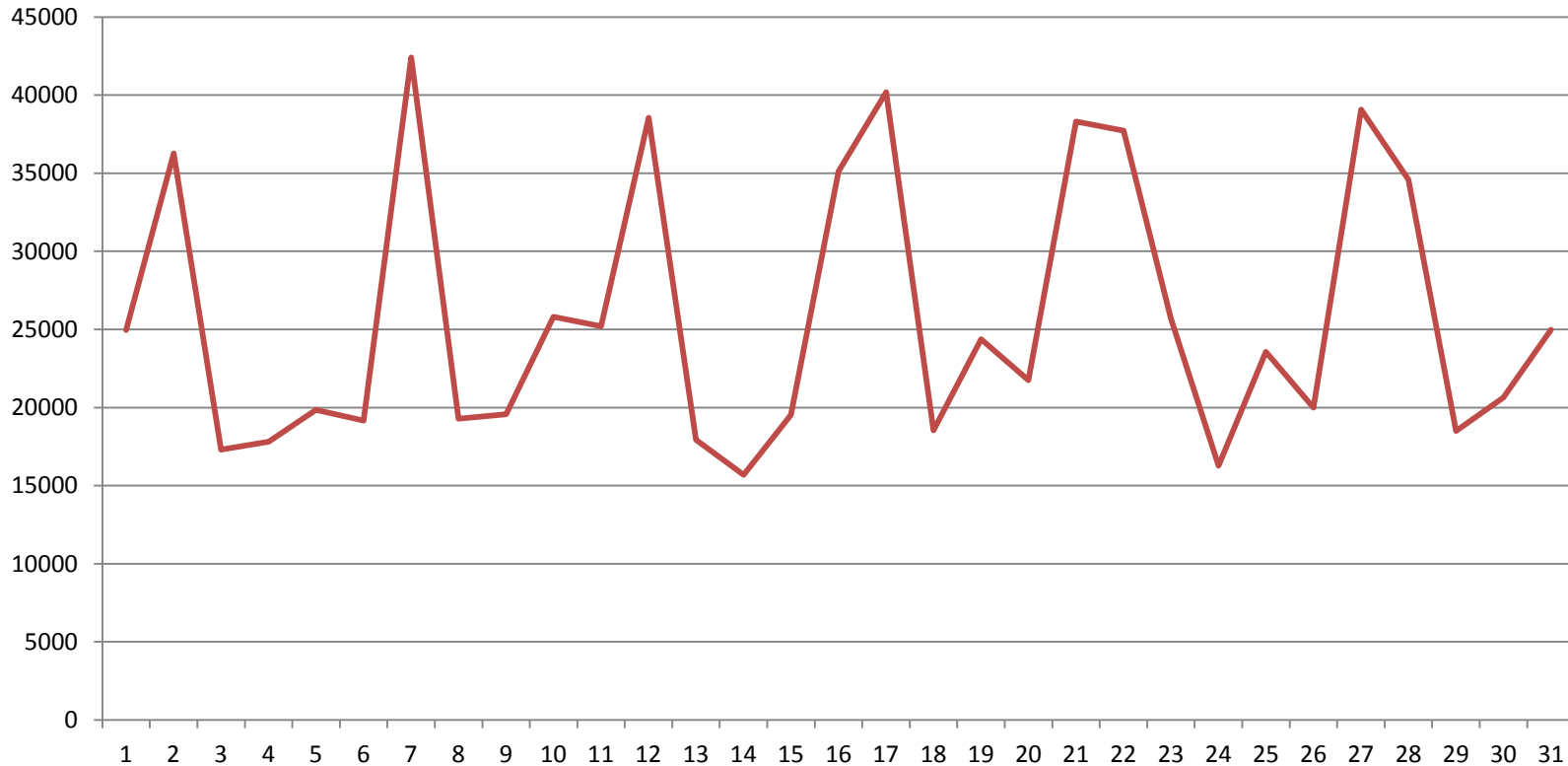
Trend in pensioner growth – 2011 to 2015

Pensioner Numbers Jan 2011 - Aug 2015



Distribution of daily pension payments

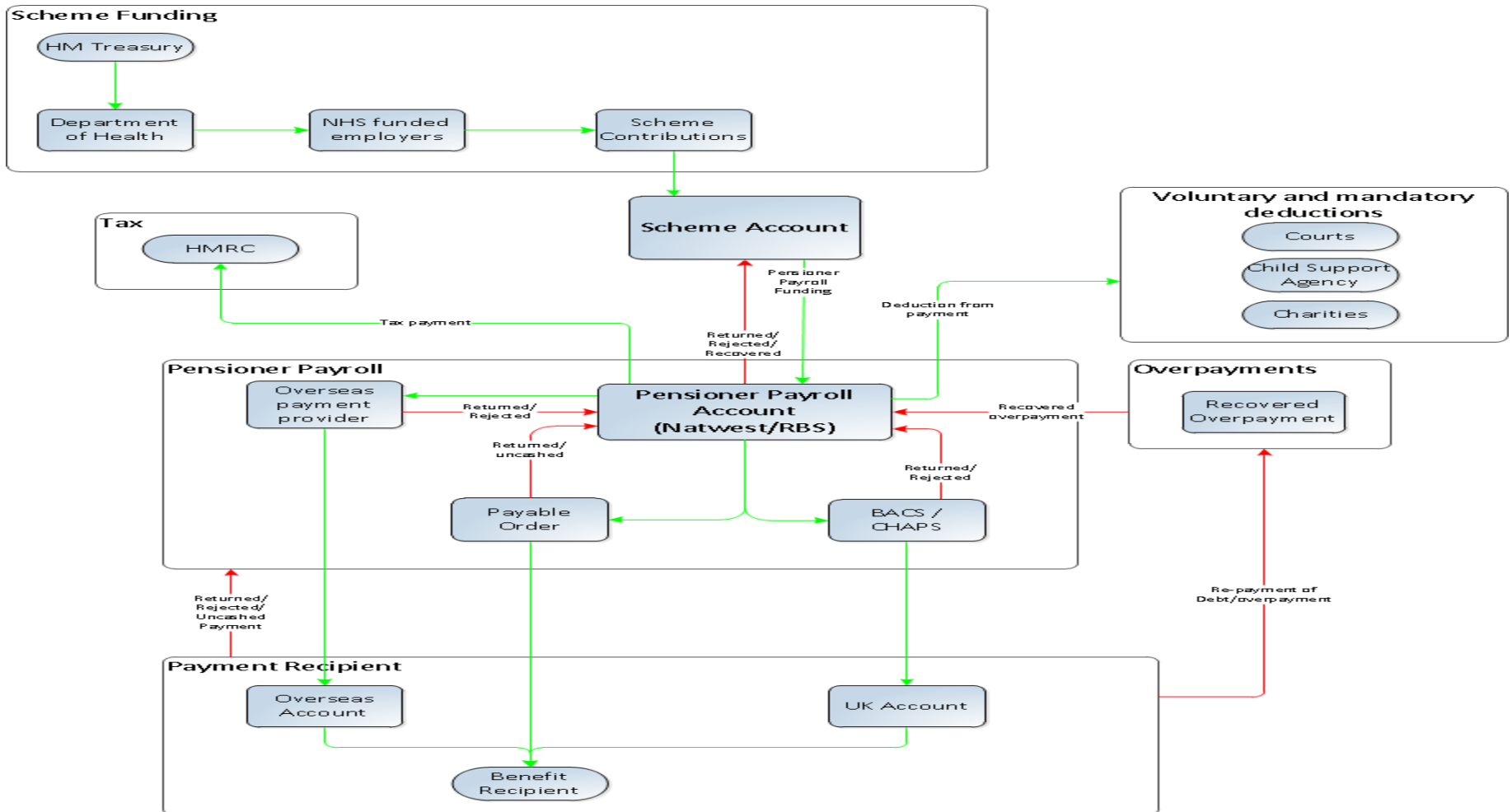
Number of Payees by Pay Day



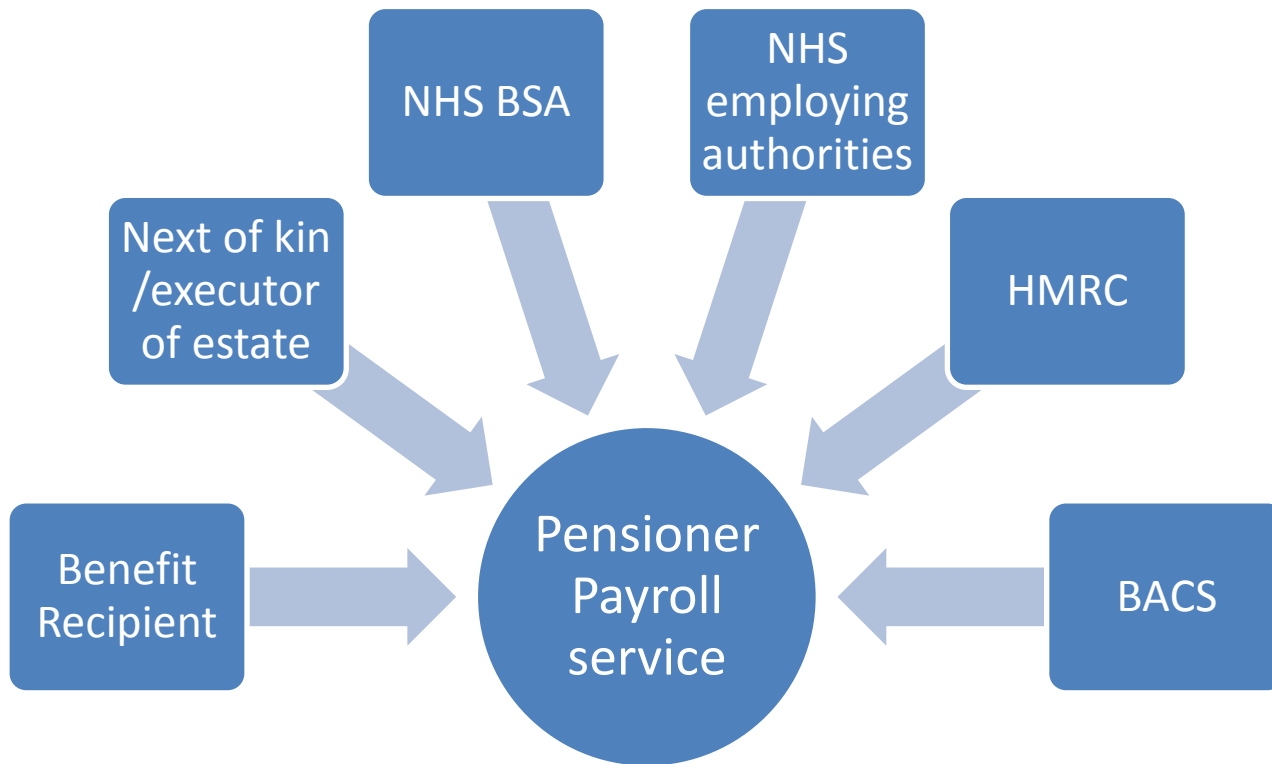
Pensioner Payroll - Payments

Payment Type	Benefit recipient	Volume of payments (monthly)	Amount of payments (monthly)	Percentage (based on Value)
BACS	Pensioner	722,607	£546.1m	91.577%
Payable order	Pensioner	3,415	£0.9m	0.151%
Overseas bank transfer	Pensioner	12,140	£6.0m	1.006%
BACS	Surviving spouse/partner	71,848	£35.2m	5.903%
Payable order	Surviving spouse/partner	330	£0.1m	0.017%
Overseas bank transfer	Surviving spouse/partner	1,485	£0.5m	0.084%
BACS	Dependent child	6,259	£1.6m	0.268%
Payable order	Dependent child	29	£0.008m	0.001%
Overseas bank transfer	Dependent child	76	£0.019m	0.003%
All Payment types	Injury Benefit Recipients	9,804	£5.9m	0.989%
CHAPs/Faster payments	There is a small number (less than 5 a day on average) of urgent payments requested			

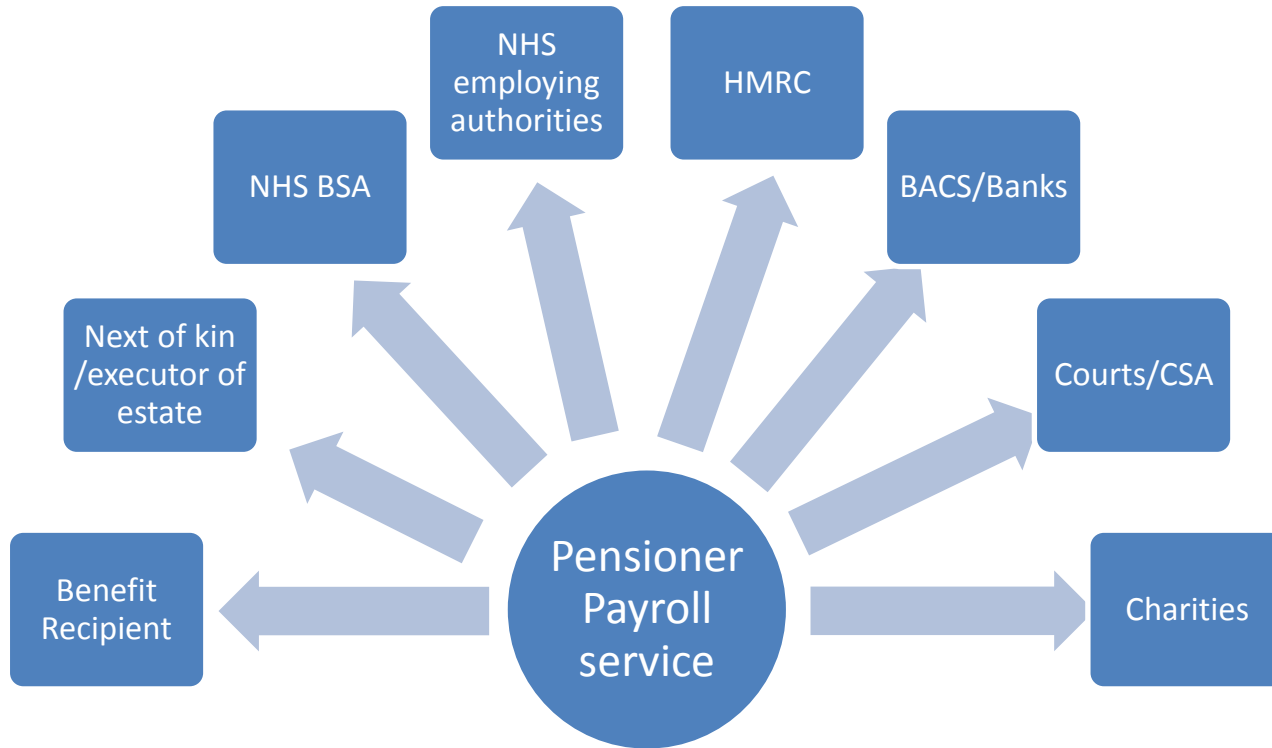
Pensioner Payroll - Cash-flow



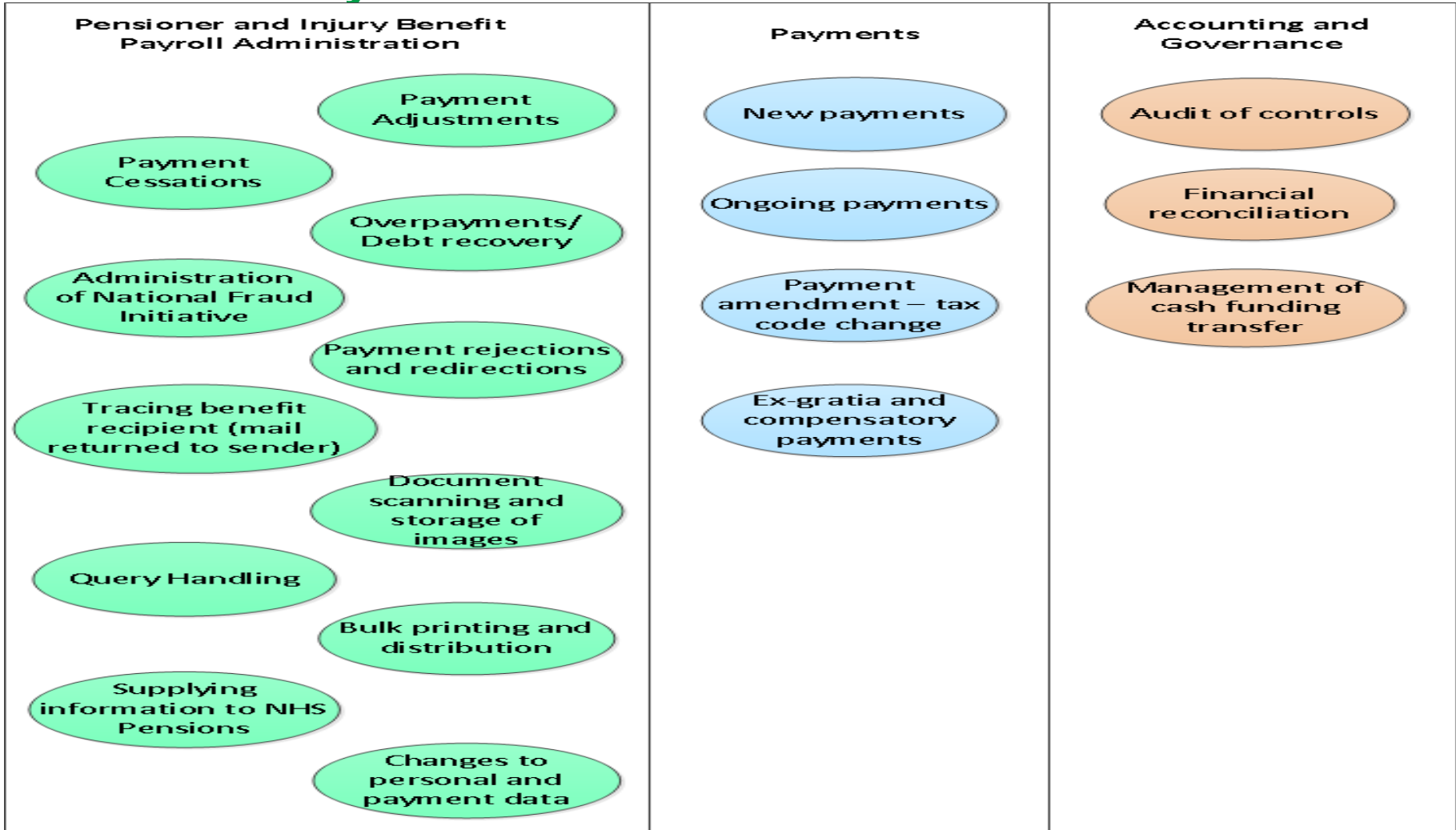
Pensioner Payroll Current State – Key Inputs



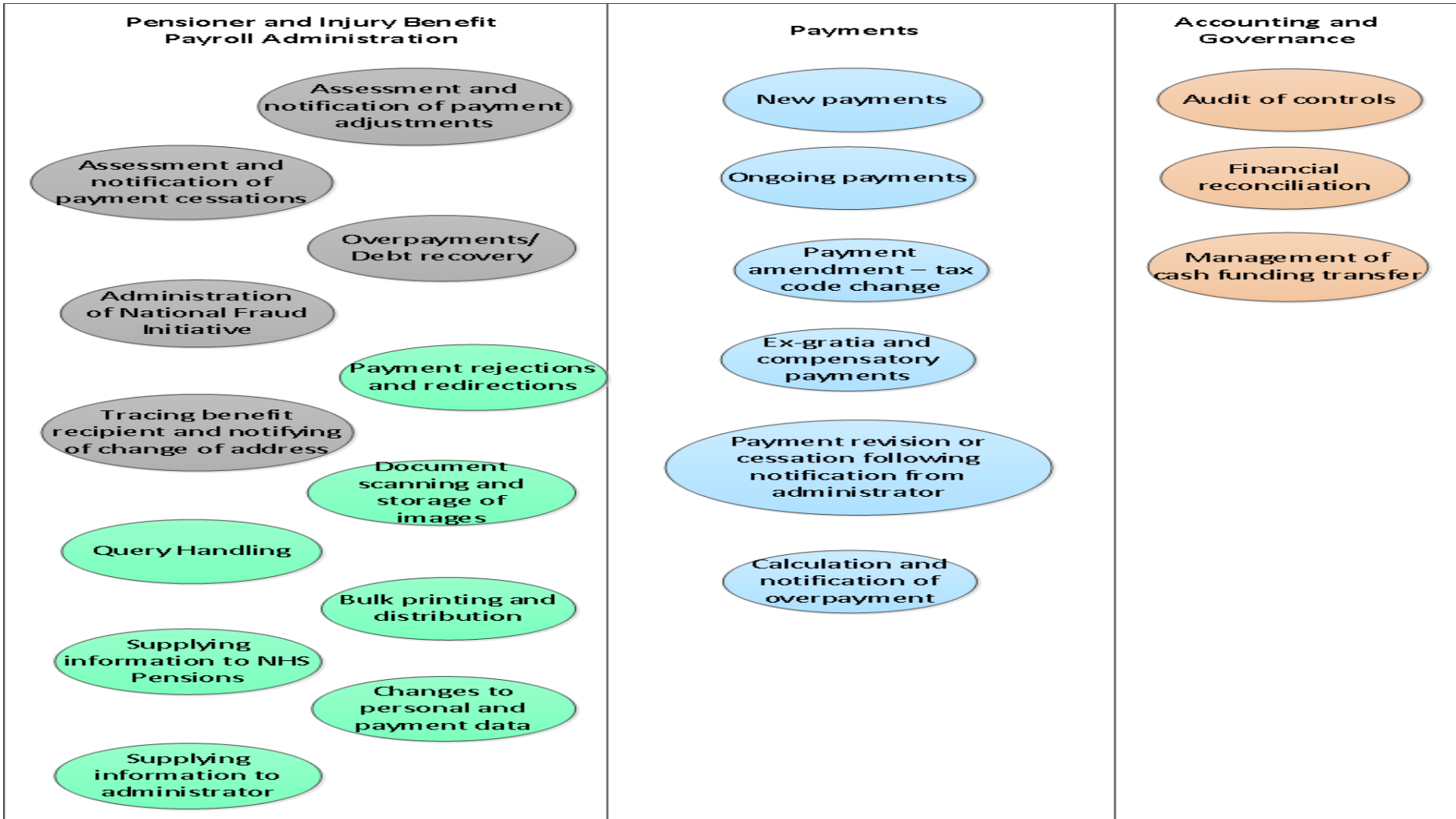
Pensioner Payroll Current State – Key Outputs



Pensioner Payroll Current State



Pensioner Payroll Future State



Payroll Administration – Future Transformation

- Focus on improving the customer experience by ensuring there is a seamless transition from being a member to being a pensioner
- Shift in communication channel away from paper by offering a digital service to all customers
- Ability to transfer data quickly between the administration service and the payroll service

NHS Pensions
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Business Services Authority

Any questions?

Procurement Status

Tony Waldron – Head of Strategic Sourcing

Overview:

- Path to approval
- Procurement of payroll earlier than other service components
- Use of the Official Journal of the European Union (OJEU) competitive procedure with negotiation
- Use of the Government Legal Services model services contract
- Contract duration

Procurement Communication and Information

1. Suite of tender documents

- Pre-Qualification Questionnaire (PQQ)
- Instructions to bidders
- Specification / requirements
- Evaluation criteria and scoring methodology
- Tender schedule

2. Data room

3. Use of Bravo

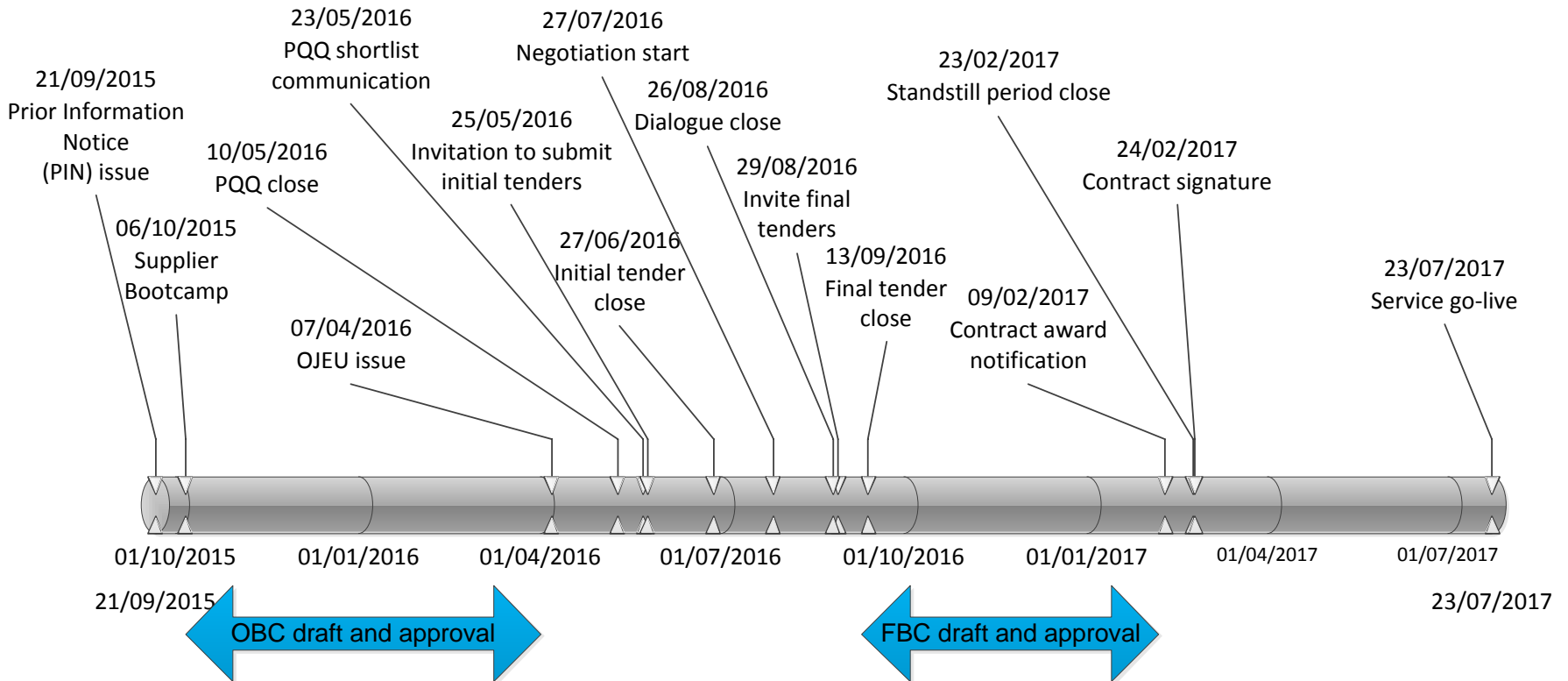
- BravoSolutions e-tendering solution – NHSBSA web portal
- Web address:
https://nhsbsa.bravosolution.co.uk/web/login.shtml?_ncp=1354702336254.72776-1

4. Clarification process

Procurement Communication and Information

The screenshot shows a web browser window displaying the NHS Business Services Authority eTendering Service website. The browser's address bar shows the URL: https://nhsbsa.bravosolution.co.uk/web/login.shtml?_ncp=1354702336254.72776-1. The page layout includes a navigation bar with a 'Home' link, a main header with the NHS Business Services Authority logo and 'eTendering Service', and a central content area. The central content area is divided into two columns. The left column contains a 'REGISTER OR LOGIN' form with fields for 'username' and 'password', and links for 'Click here to register!', 'Click here for details on how to register', and 'Forgotten your password?'. Below the form is an 'eTENDERING HELPDESK' section with the text 'Need assistance? Please contact our eTendering helpdesk: Phone: 0800 368 4850 E-mail: help@bravosolution.co.uk' and a 'Call me back!' section. The right column contains a 'Welcome to the NHS Business Services Authority eTendering Service' message, followed by a paragraph describing the service, a paragraph about viewing contract opportunities, and a paragraph about the eTendering service and helpdesk. At the bottom of the page, there are links for 'Useful Information' and 'Opportunities', with sub-links for 'View current opportunities and notices', 'View past opportunities and notices', and 'View current pan-government advertised opportunities'. The browser's taskbar at the bottom shows the Windows logo, Internet Explorer, and other applications, with the system clock displaying 14:42 on 17/09/2015.

Procurement timeline



Individual supplier sessions

- Duration: 1 hour
 - 45 minutes for question and answer; and
 - 15 minutes for wash-up.
- There will be detailed notes taken from each individual supplier session by the NHSBSA, and the key themes and principles will be included in the report to be drafted and shared with all interested parties.
- Within the report all questions and answers will be anonymised in the interest of the participants.

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Any questions?