Annual Public Meeting

6 July 2016
Welcome and introduction

Silla Maizey
Chair
Our organisation
- An Arm’s Length Body of the Department of Health

2006
- NHS Pensions Agency
- Prescription Pricing Authority
- Dental Practice Board
- NHS Logistics
- Counter Fraud and Security Management Service
  All come together to form individual service streams within the NHSBSA

1 April 2006
NHS Business Services Authority created

2006
- Individual service streams within the NHSBSA:
  - NHS Pensions
  - NHS Injury Benefit Scheme
  - NHS Prescription Services
  - NHS Help with Health Costs
  - NHS Dental Services
  - European Health Insurance Card (EHIC)
  - NHS Student Bursaries
  - Supplier Management
  - NHS Protect
  - HR Hosted Services

2007
- Social Work Bursaries

2012
- HR Services
- Information Services
- Social Work Education Support Grant

2013
- Healthy Food schemes
- Pacific Programme

2014
- Prescription Exemption Checking Service (PECS)
- Total Reward Statements
- Data Analytics Learning Laboratory (DALL)
  launched – enabling insight from our data

2015
- NHS Pensions 2015 Scheme implemented
- NHS Supply Chain contract extended, including increased savings target
- Scanning services

Today
Our key achievements

- 2.8 million prescription prepayment certificates distributed in 2015/16
- 3.6 million EPS applications processed each year
- 43,528,383 EPS claims
- 1,485,359 Total Reward Statements made available to active NHS employees this year
- £186 million the amount of potential NHS savings identified by the Data Analytics Learning Lab this year
- 64k followers on social media sites
- 57,373 satisfaction survey responses from customers and stakeholders in 2015/16
- 30% reduction in carbon emissions from our buildings since 2009/10
- £150 million saved so far through the new NHS Supply Chain contract
- 1,077,678,779 prescription items processed in 2015/16
- 449,113 the number of cases completed in NHS Pensions in 2015/16
- 37% the reduction in unit cost for administering the NHS Tax Credit Exemption Certificate certificate
- £33 billion the amount of money that flows through our books every year
- Over 158,000 monthly hits on our ‘Ask Us’ online knowledge base
- 42% in Stonewall’s Workplace Equality index in 2015
- £216 million total amount of savings our Pacific Programme has realised so far for the NHS and its patients
Our vision

Our strategic goals are ambitious but they underpin our activities and drive greater efficiency and improvements for the user experience.
Strategy and Business Plan

• Available on our website:

http://www.nhsbsa.nhs.uk/3381.aspx
Our performance 2015-16

Nick Scholte
Chief Executive
Our strategic goals – Our progress so far…

We will collaborate to create £1 billion for patients

- By the end of 2015/16 - over £300m of recurring savings for the wider NHS.
- Includes £150m from NHS Supply Chain savings.
- Continued to work closely with partner organisations such as DH, NHS England, Health Education England (HEE) and Clinical Commissioning Groups (CCGs).

We will reduce our unit costs by 50%

- Pensions processes streamlined - 20% reduction in the unit cost for the service.
- Dental Services, Compass - contributed towards a 40% reduction in unit costs for the service.
- Student Services - less manual intervention and reduced IT network costs, reducing unit costs by 17%.
- Electronic Prescription Service (EPS) - by end of 2015/16, over 39% of the prescription items we processed were sent using EPS, compared to less than 3% two years ago.
Our strategic goals – Our progress so far…

We will always improve service and deliver great results for customers

- Introduced a single measure, the net promoter score, for each of our services.
- Tax Credit Exemption Certificates – improved process.
- Electronic Prescription Service (EPS) roadshows.
- Twitter accounts for NHS Pensions, NHS Help with Health Costs, Student Services and EHIC.
- Direct Debit system for prescription prepayment certificate customers - can now choose preferred payment date.
- Student Services - Special Interest Groups.
- NHS Pensions - Stakeholder Engagement Team.
- Dental Services – Compass system.
Our strategic goals – Our progress so far…

We will digitise 80% of customer and supplier interactions

• Pension scheme digital platform.
• Dental Service – Compass.
• Digitisation projects – Maternity Exemption and Low Income Scheme.
• Information Services Portal – enhanced for pharmacy customers.
• Digital Delivery Hub.
Our strategic goals – Our progress so far…

We will derive insight from data to drive change
- Success of current cancer treatments.
- Dental - 28 day re-attendance programme.
- Antibiotic resistance.
- Supplier Management - price analysis tool, Scorpio.

We will invest time in our people, and we will recognise them for their commitment, contribution and passion
- Staff engagement score of 80%, and 76% response rate.
- Cross-functional digital delivery teams.
- Core Capability Framework.
- Improved online appraisal and 1-2-1 documents.
- Bronze award – best ‘Learning Management Implementation’ category - International e-learning Awards
NHSBSA Annual Report and Accounts 2015/16

• Available on our website
http://www.nhsbsa.nhs.uk/annual_report.aspx

Read much more about our achievements.
Annual accounts overview 2015-16

Patrick McGahon
Director of Finance and Corporate Services
Introduction

- The annual report and accounts contain the Authority’s administration accounts.
- These accounts consolidate the results of the NHSBSA’s various business streams.
- The Authority achieved its financial targets by recording an underspend against both Revenue and Capital Resource Limits.
- The Master Services Agreement covering Supply Chain services was renegotiated during the year. Under the revised agreement, from 1st October 2015, control over the consumables trading element of the service passed from the Service Provider back to NHSBSA. All related working capital balances were included in the NHSBSA's Statement of Financial Position from this date, and all related trading from this date is included in the NHSBSA's Statement of Comprehensive Net Expenditure.
- The accounts were presented for audit in accordance with DH deadlines, and have been laid before Parliament.
The two key financial statements are set out in the following slides:

- Statement of Comprehensive Net Expenditure
- Statement of Financial Position

A further slide summarises capital expenditure during the year.
Statement of Comprehensive Net Expenditure for the year ended 31 March 2016

<table>
<thead>
<tr>
<th></th>
<th>2015-16 £000</th>
<th>2014-15 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from sale of goods and services</td>
<td>805,340</td>
<td>0</td>
</tr>
<tr>
<td>Other operating income</td>
<td>101,655</td>
<td>106,366</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td><strong>906,995</strong></td>
<td><strong>106,366</strong></td>
</tr>
<tr>
<td>Staff Costs</td>
<td>80,937</td>
<td>78,785</td>
</tr>
<tr>
<td>Purchase of goods and services</td>
<td>712,113</td>
<td>0</td>
</tr>
<tr>
<td>Other operating expenditure</td>
<td>232,666</td>
<td>134,029</td>
</tr>
<tr>
<td><strong>Total operating expenditure</strong></td>
<td><strong>1,025,716</strong></td>
<td><strong>212,814</strong></td>
</tr>
<tr>
<td>Net operating expenditure</td>
<td>118,721</td>
<td>106,448</td>
</tr>
<tr>
<td><strong>Total net expenditure</strong></td>
<td><strong>118,721</strong></td>
<td><strong>106,448</strong></td>
</tr>
</tbody>
</table>

**Other Comprehensive Net Expenditure**

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (gain) on revaluation of property, plant &amp; equipment</td>
<td>0</td>
<td>(1,595)</td>
</tr>
<tr>
<td>Adjustment for notional costs</td>
<td>(90)</td>
<td>(90)</td>
</tr>
<tr>
<td><strong>Total comprehensive net expenditure for the year</strong></td>
<td><strong>118,631</strong></td>
<td><strong>104,763</strong></td>
</tr>
</tbody>
</table>

- Significant movements from 2014-15 reflect NHS Supply Chain transactions as referred to in the Introduction slide.
- The increase in net expenditure over last year relates primarily to the change in carrying value of Financial Assets.
- The total net expenditure resulted in an underspend against the Authority’s revenue resource limits.
## Statement of Financial Position at 31 March 2016

The significant decrease in Other Financial Assets, and significant increases in Inventories, Trade and other receivables, Cash and cash equivalents and Trade and other payables relate primarily to NHS Supply Chain as referred to in the Introduction slide.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>35,419</td>
<td>32,913</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>40,952</td>
<td>45,442</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>89,970</td>
<td>172,581</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>166,341</td>
<td>250,936</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>76,790</td>
<td>0</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>164,483</td>
<td>14,936</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>31,860</td>
<td>26,835</td>
</tr>
<tr>
<td>Total current assets</td>
<td>273,133</td>
<td>41,771</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>439,474</td>
<td>292,707</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>133,310</td>
<td>37,882</td>
</tr>
<tr>
<td>Borrowings</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>2,232</td>
<td>176</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>135,542</td>
<td>38,065</td>
</tr>
<tr>
<td><strong>Net current assets/liabilities</strong></td>
<td>137,591</td>
<td>3,706</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>303,932</td>
<td>254,642</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>605</td>
<td>609</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>605</td>
<td>609</td>
</tr>
<tr>
<td><strong>Total Assets Less Liabilities:</strong></td>
<td>303,327</td>
<td>254,033</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>298,471</td>
<td>249,177</td>
</tr>
<tr>
<td>Revaluation Reserve</td>
<td>4,856</td>
<td>4,856</td>
</tr>
<tr>
<td><strong>Total Taxpayers’ Equity:</strong></td>
<td>303,327</td>
<td>254,033</td>
</tr>
</tbody>
</table>
Capital expenditure

- The Authority’s net capital expenditure for the year totalled £14.2m, which was within the Capital Resource Limit for the year.

The major areas of expenditure were:

- Pension Scheme systems developments - £4.1m
- Building works and Fixtures & Fittings - £3.8m
- IT Infrastructure equipment - £4.1m.
- The remaining £2.2m expenditure covered other IT system developments and licences.
Any Questions?