Business Plan
2017/18
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The NHS Business Services Authority (NHSBSA) is a Special Health Authority and an Arm’s Length Body (ALB) of the Department of Health (DH). We provide a range of critical central services to NHS organisations, NHS contractors, patients and the public.

The NHSBSA was created in 2006 by bringing together a number of previously separate NHS organisations. We still deliver the core range of services we started with and have taken on additional services as our stakeholders’ needs have evolved (see figure 1). Appendix 1 summarises our services and their key performance indicators (KPIs).
Figure 1: Our services

- **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.

- **2006**
  - **1 April 2006**
  - **NHS Business Service 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 join the NHSBSA

- **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

- **2016**
  - Dental Exemption Checking Service (DECS)
  - Provider Management

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2. Introduction

Context

We operate in an environment where the NHS faces growing demand for services and ongoing financial pressure. Our 2017-22 Strategy has been written to ensure that we use our considerable influence in many areas of healthcare to play our part in alleviating some of this pressure. Our contribution to improving the wider NHS through our continued support is pivotal to our success.
Our strategy

Our updated strategy gives details of the work we have planned and will continue to do to ensure our success.

It’s now more important than ever that we play our part in reducing the financial pressure on the NHS and continue the important work that the NHSBSA was set up to achieve. We have captured this in our new purpose statement – that we are here to:

**Support a better NHS**

While our purpose is clear, it’s important that we continue to develop as an organisation and realise our ambitions so that we are in the best possible place to continue to support the NHS in the future. With this in mind, we have developed a new vision for the NHSBSA:

**To be the delivery partner of choice for the NHS**

Striving towards our vision will ensure the NHSBSA is a key player on the healthcare landscape and one which is trusted and capable of supporting the NHS.

With our purpose and vision established, we have rationalised our previous strategic goals to ensure that our aims will fully help us to meet our purpose and strive towards our vision, while ensuring we can continue to address threats and opportunities identified in the longer term:

- We will improve service and deliver great results for customers
- We will collaborate to create £1 billion for patients
- We will reduce our unit costs by 50%

This business plan shows the programmes of work and financial plans in place to help us achieve these goals, live up to our purpose and realise our vision.

Our key risks (see Appendix 2) also inform our approach to business planning. This includes any interdependencies identified between our activities and those of the DH, other ALBs and other key stakeholders.
Our strategy can be summarised in this diagram:

**Our purpose**
Supporting a better NHS

**Our vision**
To be the delivery partner of choice for the NHS

**Our goals**
- We will improve service and deliver great results for customers
- We will collaborate to create £1 billion for patients
- We will reduce our unit costs by 50%
Business Plan 2017/18

This business plan focuses on the key deliverables and milestones planned for 2017/18. Table 1 on page 10 gives an overview, with more detail included on some of our major areas of work.

We can’t deliver these activities without sound financial management within our financial limits and Section 4 details our financial plan for 2017/18. This was created to support both the continued delivery of our services for our customers and clients, and the delivery of our strategic goals.

We also recognise how we do things is just as important as what we do. Section 5 gives an overview of our ‘good business’ approach to corporate responsibility – including links to our plans around Organisation Development, Diversity and Inclusion, Health and Safety, Environment and Resource Efficiency, Wellbeing and Community Investment.

Finally, Section 6 gives an overview of our governance framework – this sets out how we ensure we make the right decisions in the right way and that those decisions are implemented correctly.
Our Change Roadmap gives an overall picture of what we plan to achieve in 2017/18 and beyond.
Major milestones 2017/18

Our detailed Change Roadmap is available on request, but our major milestones for 2017/18 are shown in Table 1 below.

Table 1: Major milestones

<table>
<thead>
<tr>
<th>Key deliverable</th>
<th>Target delivery date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digitisation and sourcing, information services</strong>, ePACT2 - full live service</td>
<td>Apr 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescriptions</strong>, digital returns – first live service</td>
<td>May 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescriptions</strong>, digital submissions – first live service</td>
<td>Jun 2017</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, operational readiness, medical service – contract commences</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, operational readiness, mailroom and scanning – insource commences</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, ITIS – IT insource commences</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Health education funding reforms</strong> – operational readiness</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescription prepayment certificate (PPC)</strong> – first live service</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing</strong>, NHS low income scheme – first live service</td>
<td>Jul 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, maternity exemption certificates</strong> – full live service</td>
<td>Aug 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescriptions</strong>, complementary ICR – full live service</td>
<td>Aug 2017</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, digitisation, finance collection – first live services</td>
<td>Oct 2017</td>
</tr>
<tr>
<td><strong>IT infrastructure and sourcing (ITIS)</strong> – network service provider - contract commences</td>
<td>Nov 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescriptions</strong>, MODS digitisation – full live service</td>
<td>Dec 2017</td>
</tr>
<tr>
<td><strong>IT infrastructure and sourcing (ITIS)</strong> – service integration and management (SIAM) service roll-out start</td>
<td>Dec 2017</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, electronic payments</strong>, direct debits – full live service</td>
<td>Feb 2018</td>
</tr>
<tr>
<td>Project Description</td>
<td>Completion Date</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, operational readiness, pensioner payroll / administration – transition commences</td>
<td>Feb 2018</td>
</tr>
<tr>
<td><strong>Pension re-procurement</strong>, digitisation, total reward statement (TRS) – full live service</td>
<td>Feb 2018</td>
</tr>
<tr>
<td><strong>IT infrastructure and sourcing (ITIS)</strong> – managed infrastructure supplier contract commences</td>
<td>Mar 2018</td>
</tr>
<tr>
<td><strong>Pacific programme</strong> – annual recurring savings target of circa £1 billion</td>
<td>Mar 2018</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing</strong>, prescriptions, Electronic Prescription Service (EPS) increase</td>
<td>Mar 2018</td>
</tr>
<tr>
<td><strong>Dental contract reform</strong> – System changes</td>
<td>Mar 2018</td>
</tr>
<tr>
<td><strong>IT infrastructure and sourcing (ITIS)</strong> – network transitioned</td>
<td>Aug 2018</td>
</tr>
<tr>
<td><strong>Supplier management</strong>, intelligent client coordinator (ICC) development</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>General Data Protection Regulation (GDPR)</strong> - compliance</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Loss Recovery Services, prescription exemption checking service (PECS)</strong> – create system capability to facilitate expansion</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Loss Recovery Services, dental exemption checking service (DECS)</strong> – create system capability to facilitate expansion</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, prescriptions</strong>, capture patient details – full live service</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, NHS tax credit exemption certificates</strong> – service revision</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, medical exemption certificates</strong> – full live service</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, electronic payments</strong>, online card payments – full live service</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>Digitisation and sourcing, dental</strong> – service delivery transition and service improvements</td>
<td>Post 2017/18</td>
</tr>
<tr>
<td><strong>IT infrastructure and sourcing (ITIS)</strong> – service integration and management (SIAM) full service in place</td>
<td>Feb 2019</td>
</tr>
</tbody>
</table>

Details of our external development and capital funding for projects can be found at Appendix 3.

The following pages give an overview of some of our key focus areas in 2017/18:
Digitisation and sourcing

NHS Dental Services

We are pursuing our Dental Digitisation and Sourcing work, ensuring our services continue to improve as current service delivery contractual arrangements come to an end, and we aim to deliver an improved online offer to our customers and clients.

We are also working with DH on the Dental Contract Reform programme to ensure that our insight is available to inform their policy changes. We will lead on behalf of DH in any discussion with software suppliers to the dental profession.

Help with Health Costs

We are investigating ways to provide digitised services for our Help with Health Costs customers. We will build on the success we’ve delivered in providing a digital maternity exemption process in 2016/17, by providing digital alternatives for the Low Income Scheme, before starting work on Medical Exemption Certificates. This will reduce paper applications and make the process more efficient and easier for our customers to access. We will also make improvements to the existing digital service for prescription prepayment certificates (PPC), and will revise the NHS Tax Credit Exemption certificate process.

Information Services

The NHSBSA collects a wide variety of data and we will continue to invest in technology and people who can deliver actionable insight from this data. During 2017/18, we will be rolling out a new online reporting system to our prescription information customers. The ePACT2 system will draw data from a new data warehouse which contains more detailed data than the original ePACT system. Dental information will also benefit from our technology investment; and a new dental data warehouse will be created during 2017/18 to deliver significant improvements to the reporting service currently supplied through our eReporting system.

Our data analytics laboratory is supplying insights outside of our own organisation. Examples of how we have supported better decision making include supporting policy analysis, identifying potential savings, detecting waste and supporting fraud investigations. We will continue to enhance and mature our data analytics to support wider NHS efficiencies.

We will also be looking to improve the quality and scope of the data that is available for analytics and make more information available through our website.

NHS Prescription Services

We are continuing with the Prescription Services Digitisation and Sourcing Programme which supports our vision of delivering amazing outputs which support and shape the future of patient care through insight and action. The projects will deliver new digital technology to reduce operational expenditure and create systems that enable the collation and integration of patient identifiable data.
Health Education Funding Reform

From 1 August 2017 new nursing, midwifery and most allied health professional students will receive support from the standard student loans system instead of receiving an NHS Bursary. Additional funding provisions outside the loans system will form part of the student support offer, and the NHSBSA has been commissioned to deliver three specific elements that comprise the new ‘Learning Support Fund’. We are working with DH to finalise the policy alongside developing the systems and processes so that eligible students will be able to apply for this additional funding.

IT Infrastructure and Sourcing (ITIS)

We are implementing a new IT operating model for the NHSBSA which will replace our current outsourced IT infrastructure contract provided by Capita. The new model will improve our internal IT capabilities by building a new Service Integration and Management (SIAM) team, and procuring specialist IT Infrastructure suppliers to manage our networks, telephony and server estate.

We are using the Government’s ‘Crown Hosting’ service to provide our datacentre facilities and during 2018 will be migrating all business applications currently hosted in Capita datacentres to new hosting arrangements in Crown Hosting or on to the cloud.

Pensions re-procurement

We are putting in place, through in-sourcing or re-procurement, the services needed to continue to deliver the NHS Pension Scheme beyond the expiry of the current contract in July 2017.

The programme is preparing to in-source pensioner and payroll administration, pensioner payments, finance and accounting. It will also source the IT components that are needed to deliver scheme administration services and to develop digital solutions aimed at improving member and employer customer experience. A number of complementary pensions services and legislative changes will also be included in the contract.
The Pacific programme

Building on our work throughout 2016/17, which has delivered savings of around £500 million, we will continue to identify and deliver savings from the financial flows administered by the NHSBSA. We’re also identifying savings in the wider health and care system as we continue to talk to and work with key external DH and NHS stakeholders.

The programme will deliver its goals with input and involvement from colleagues across the organisation and particularly from Information Services and the Data Analytics Learning Laboratory (DALL). One particular area of focus for 2017/18 will be to exploit the launch of ePACT2, which is Information Services’ prescription data mining tool, to support pipeline opportunities that can positively influence prescribing spend.

We will also continue our work with external DH and NHS stakeholders, to convert our promising early discussions around such pipeline opportunities into deliverable projects that can be added to our existing portfolio and bring the targeted financial benefits to over £1 billion.

Overall, our 2017/18 programme is expecting to see the fruition of the past few years of foundation work in a number of areas, resulting in:

- continuing delivery and growth for Loss Recovery Services within the NHSBSA
- establishing provider management services on behalf of NHS England
- delivering and monitoring of Community Pharmacy Review savings
- conversion of further pipeline opportunities into established projects.
General Data Protection Regulation (GDPR)

The General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679) is a regulation by which the European Parliament, the European Council and the European Commission intend to strengthen and unify data protection for individuals within the European Union (EU). The Government has confirmed that this will become part of UK law on 25 May 2018 after a two-year transition period.

Many of the GDPR’s main concepts and principles are much the same as those in the current Data Protection Act (DPA). As we are complying with the current law, much of our approach to compliance will remain valid under the GDPR and is our starting point. However, the GDPR does introduce new elements and significant enhancements, so we will have to do some things for the first time and some things differently.

Supplier Management

We’ll continue to work with the DH during 2017/18 to support delivery of their new Procurement Transformation Programme for NHS Supply Chain.

This work will happen alongside the existing arrangements, whereby the NHSBSA remains on target to deliver the £300 million savings. The Supplier Management team will also continue to manage the delivery of a number of national contracts on behalf of the DH.
Growing our business

Loss Recovery Services

We provide this service on behalf of NHS England to help the wider NHS by ensuring it maximises recovery of patient charges for dental treatment and prescriptions. Increased use of data analytics will allow us to examine large data sets and identify where the correct charges have not been paid.

Provider management

Provider management combines ‘Contract Management’ and ‘Performance Management’ of service providers. Together, these activities ensure the accuracy of the data held about contracts, deliver regular monitoring and reporting of performance, and enable the identification and challenge of systematic and behavioural risk. It is then possible to take action to prevent, deter or recover inappropriate payments from NHS funds, and to identify quality improvements that can be delivered through education or policy change.

There is an increasing requirement for the close management of providers to ensure the quality of services and the accuracy of associated payments. This has been successfully demonstrated within NHS Dental Services where, in addition to financial savings through recoveries and deterrence, we have improved access to patient care. The NHSBSA has an ambition to expand this service within dentistry as well as for other providers.

In addition to the financial benefits delivered to the NHS through this activity, the NHSBSA’s involvement will free up local NHS resources to focus on service commissioning, and ensure that providers are treated consistently across NHS boundaries.

Human Resources and Payroll

We have strengthened our current HR shared service offer, supported by digitisation improvements that have increased efficiency and enhanced the customer experience. We continue to promote additional services from our existing service catalogue to current clients, and to target the acquisition of new clients from the ALB sector.

In addition, we’re also promoting NHSBSA Payroll Shared Services to clients to provide them with a full end-to-end solution for people services.

Scanning

Our scanning services business is expanding with a view to becoming the natural ‘Scanning Partner of Choice’ within the NHS and the wider public sector. We are working with NHS Trusts, GP Practices, CCGs and Local Authorities to develop our offering and service to ensure we deliver savings that can be reinvested back in to front line services.

NHS Supply Chain

We will continue to work closely with our NHS Supply Chain supplier to deliver the targeted £300 million of procurement efficiencies, and increase price transparency to lower costs.
4. Finance
Our medium-term funding requirement

In response to the HM Treasury Spending Review (SR) 2015 the NHSBSA submitted a financial plan to the DH that identified funding reduction opportunities totalling £48 million over the period 2016/17 to 2019/20. The DH endorsed our plans and agreed provisional revenue funding allocations up to 2019/20. We are now in year 2 of the financial plan.

Our savings plans are underpinned by some key assumptions:

- a recognition that our digitisation and sourcing plans will be the key driver in reducing our real terms unit costs by 50%, and that savings from this programme of activity will come on stream in years 3 and 4 of the SR period (2018/19 and 2019/20)
- the costs associated with the administration of NHS Pensions will be funded by way of a levy on the NHS Pension Scheme
- use of the Electronic Prescription Service will increase in line with projections made by NHS Digital, which will enable us to reduce the operating cost of NHS Prescription Services.

The provisional revenue funding allocations to 2019/20 are summarised in Table 2 below:

<table>
<thead>
<tr>
<th>2016/17</th>
<th>Table 2: Revenue funding requirement to 2019/20</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td>Revenue DEL (after savings)</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>100.20</td>
<td>79.42</td>
<td>78.52</td>
<td>67.46</td>
<td></td>
</tr>
</tbody>
</table>

Financial planning – our approach

Delivering our services within the financial limits provided to us is of paramount importance. As value for money is central to all of our activities, we’ve focused our financial and business planning process on how we can deliver more for less. We’ve worked hard to improve value for money in our services by making the best possible use of our limited resources.

The Leadership Team led the development of our Financial Plan for 2016/17 to 2019/20. Building on the content of our SR 2015 submission, each Director carried out a baseline review of the services in their portfolio to identify:

- efficiencies by adopting the principle of ‘digital by default’
- opportunities to stop non-essential spending and non-value adding activity
- opportunities to increase income streams by growing some of our services
- options for reducing staffing costs through innovative and agile ways of working.

The outcome of this activity was a robust cost reduction plan for the business that is aligned with the delivery of our strategic objectives. The plan has been reviewed and updated by each Director during the 2017/18 financial planning round to ensure that we are still on track to deliver our SR 2015 commitments.
Operating expenditure 2017/18

In addition to funding the annual administration costs of NHS Pensions from a levy on the NHS Pension Scheme (circa £25 million), we are planning to deliver efficiency savings of circa £6.5 million in 2017/18.

After allowing for the cost of volume growth in our services and pay and inflation increases, this will reduce our baseline net operating expenditure from £100.2 million in 2016/17 to £79.4 million in 2017/18.

Transition requirements

The key financial risk facing the organisation is the requirement to deliver savings of circa £48 million in real terms by 2019/20. We estimate that this will require non-recurring transition funding of up to £20 million over the period. In 2017/18, the funding requirement is estimated at £2 million.

Capital charges

The NHSBSA receives funding to meet our capital charges cost. These capital charges are a way of recognising the cost of ownership and use of capital assets. We estimate that we will require £18 million in 2017/18 for such charges.

Table 3 below sets out our Revenue Departmental Expenditure Limit (DEL) funding requirements for 2017/18:

<table>
<thead>
<tr>
<th>Table 3: Revenue funding requirement 2017/18</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gross revenue operating expenditure</td>
<td>138.7</td>
</tr>
<tr>
<td>Total revenue income</td>
<td>-34.3</td>
</tr>
<tr>
<td>NHS Pension Scheme levy</td>
<td>-25.0</td>
</tr>
<tr>
<td>Net operating expenditure - non ring-fenced revenue DEL (A)</td>
<td>79.4</td>
</tr>
<tr>
<td>Non-recurring/transition costs - non ring-fenced revenue (B)</td>
<td>2.0</td>
</tr>
<tr>
<td>Capital charges - ring-fenced revenue (C)</td>
<td>18.0</td>
</tr>
<tr>
<td>Total revenue requirement (A+B+C)</td>
<td>99.4</td>
</tr>
</tbody>
</table>
External development funding

The cost of providing our existing service portfolio is funded through our operating expenditure budget. However, when our clients ask us to deliver new services or major changes to our existing services, we require additional development funding. Our external development funding requirement for 2017/18 is £18.1 million. This includes £11.4 million of non-recurring investment in the reprocurement of our NHS Pensions administration services and the IT Infrastructure and Sourcing (ITIS) programme.

Table 4 below summarises our revenue funding requirement in 2017/18 for external development projects:

<table>
<thead>
<tr>
<th>Table 4: External development requirement 2017/18</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DH Sponsors</td>
<td>10.46</td>
<td></td>
</tr>
<tr>
<td>ITIS</td>
<td>6.87</td>
<td></td>
</tr>
<tr>
<td>Dental Contract Pilot</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>Digitisation and Sourcing (excludes NHS Pensions)</td>
<td>1.57</td>
<td></td>
</tr>
<tr>
<td>Supply Chain ICC Development</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>Health Education Funding Reforms</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td><strong>Levy on NHS Pension Scheme</strong></td>
<td>7.09</td>
<td></td>
</tr>
<tr>
<td>Pensions ITIS</td>
<td>1.62</td>
<td></td>
</tr>
<tr>
<td>Pensions Operational Readiness</td>
<td>2.88</td>
<td></td>
</tr>
<tr>
<td>Pensions GMP</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>Pensions Digitisation and Sourcing</td>
<td>0.09</td>
<td></td>
</tr>
<tr>
<td><strong>Recovery from PECS/DECS income</strong></td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td>Loss Recovery Services</td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td><strong>Total funding requirement</strong></td>
<td>18.12</td>
<td></td>
</tr>
</tbody>
</table>

**Note 1:** The Pensions projects (£7.09 million) will be charged to the NHS Pension Scheme. The Loss Recovery Services projects (£0.57 million) will be funded from income recoveries.

Full detail for individual projects is included in Appendix 3.
Capital funding

The NHSBSA has identified a capital funding requirement for 2017/18 of **£25.25 million**. This includes £14 million for projects that are already ‘in-flight’. The capital investment for digitisation and sourcing projects will enable us to deliver the recurring revenue savings that underpin our spending review assumptions and reduce our service unit costs by 50%.

Table 5 below summarises our capital funding requirements for 2017/18:

<table>
<thead>
<tr>
<th>Table 5: Capital investment requirement 2017/18</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitisation and Sourcing</td>
<td>6.60</td>
</tr>
<tr>
<td>Loss Recovery Services</td>
<td>3.67</td>
</tr>
<tr>
<td>Estates</td>
<td>2.88</td>
</tr>
<tr>
<td>Growth Services</td>
<td>2.00</td>
</tr>
<tr>
<td>ITIS</td>
<td>2.75</td>
</tr>
<tr>
<td>IT Programme</td>
<td>3.61</td>
</tr>
<tr>
<td>NHS Pensions Projects</td>
<td>3.37</td>
</tr>
<tr>
<td>NHS Student Bursaries</td>
<td>0.55</td>
</tr>
<tr>
<td>Other NHSBSA Projects</td>
<td>2.20</td>
</tr>
<tr>
<td>NHS Protect</td>
<td>2.25</td>
</tr>
<tr>
<td>Estimated slippage</td>
<td>-4.63</td>
</tr>
<tr>
<td><strong>Total Capital Requirement</strong></td>
<td><strong>25.25</strong></td>
</tr>
</tbody>
</table>

Full detail for individual projects is included in Appendix 3.
5. Good business – corporate responsibility
We see ourselves as an inherently responsible business. It’s not an add-on or ‘nice-to-have’ – it’s just what we do. Equally we recognise that some areas require specific focus, which is why we have developed specific strategies and action plans in the following areas:

- Organisation Development
- Diversity and Inclusion
- Health and Safety
- Environment and Resource Efficiency
- Wellbeing
- Community Investment.

Oversight on delivering these strategies and action plans is provided in a variety of ways including non-executive and executive sponsorship, senior management committees, staff networks and annual public reporting.
6. Governance and performance monitoring
Our Corporate Governance Framework sets out how we ensure we make the right decisions in the right way and that those decisions are implemented correctly.

We use specific service and programme reports to monitor our performance against our stated deliverables:

- Operational KPIs (Appendix 1)
- Deliverables and milestones (Section 3)
- Finance (Section 4)

These reports are reviewed by our Leadership Team and Board throughout the year. Performance is also reviewed with the DH at regular Accountability Review Meetings.

We publish our Annual Report and Accounts at the end of each financial year, which is available to view on our website. It includes details of our performance, any risks and issues, and our financial statements.
7. Appendices
Appendix 1: Operational KPIs

Our Key Performance Indicators will be published here once they are confirmed in May 2017.
## Appendix 2 - Risks

The table below gives a collated, high-level description of the key risks faced by the NHSBSA.

<table>
<thead>
<tr>
<th>Risk short name</th>
<th>Risk description</th>
<th>Risk owner</th>
<th>Mitigation(s)</th>
</tr>
</thead>
</table>
| Funding        | The ongoing financial pressures faced by government organisations may impact on the NHSBSA’s ability to deliver services and a range of critical change projects. | Patrick McGahon – Director of Finance and Corporate Services | • Financial negotiations with DH  
• Engagement with key stakeholders  
• Delivery of NHSBSA strategy |
| NHS Supply Chain savings target | A range of factors, including consideration of a future operating model, may impact on the delivery of the £300 million savings target. | Steven Pink – Director of Change and Commercial Delivery | • Engagement with DH and other stakeholders  
• Ongoing contract management activity and target monitoring |
| Information and cyber 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. | Mark Dibble – Corporate Secretary | • Deliver against Information Governance Toolkit  
• Implement cyber security improvements in line with digitisation agenda and new IT organisational arrangements |
| Attraction and retention of specialist capability | The ongoing evolution of our business needs, aligned to the fast moving environment, means we may not be able to attract and retain people with the skills and knowledge required to deliver our strategic goals. | Patrick McGahon – Director of Change and Commercial Delivery  
Mark Dibble – Corporate Secretary | • Recruitment strategy  
• Talent management framework  
• Succession planning  
• Organisational analysis |
<table>
<thead>
<tr>
<th>IT infrastructure and systems</th>
<th>As existing NHSBSA software and hardware is becoming unsupported and contracts and licences are expiring, a risk has arisen around systems and applications becoming unusable or difficult to fix in the event of a failure. This may result in service delivery failures.</th>
<th>Patrick McGahon – Director of Finance and Corporate Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• IT programmes</td>
<td>• Rolling modernisation programme</td>
</tr>
<tr>
<td></td>
<td>• Status monitoring of IT end of life systems</td>
<td>• Status monitoring of IT end of life systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Delivery of £1 billion savings in original timescale</th>
<th>A range of external factors has led to a risk that a number of opportunities identified by the Pacific programme are not delivered within the initial target date of March 2018.</th>
<th>Steven Pink – Director of Change and Commercial Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Engagement with stakeholders to agree realignment of Pacific timelines to that of the wider system</td>
<td>• Engagement with stakeholders to increase the number of stakeholder initiated opportunities with large scale benefits</td>
</tr>
</tbody>
</table>
## Appendix 3 - Project funding 2017/18

### Non-recurring funding for external development projects 2017/18

<table>
<thead>
<tr>
<th>Service area</th>
<th>Project name</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Solutions</td>
<td>IT Infrastructure and Sourcing (ITIS)</td>
<td>6.871</td>
</tr>
<tr>
<td>NHS Dental Services</td>
<td>Dental Contract Reform</td>
<td>1.400</td>
</tr>
<tr>
<td>Information Services</td>
<td>Data Warehouse and e-PACT Replacement</td>
<td>0.487</td>
</tr>
<tr>
<td>Patient Services</td>
<td>Applying for a Maternity Exemption Certificate</td>
<td>0.061</td>
</tr>
<tr>
<td>Patient Services</td>
<td>Applying for Low Income Scheme support with Health Costs</td>
<td>0.288</td>
</tr>
<tr>
<td>Patient Services</td>
<td>Applying for a Prescription Prepayment Certificate</td>
<td>0.069</td>
</tr>
<tr>
<td>Patient Services</td>
<td>Applying for a Medical Exemption</td>
<td>0.100</td>
</tr>
<tr>
<td>Patient Services</td>
<td>Administration of Tax Credit Exemptions</td>
<td>0.153</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Updating and Managing Medicines and Organisation Data (MODS)</td>
<td>0.036</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Capturing Patient Details</td>
<td>0.125</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Automated QC of Prescription Forms</td>
<td>0.200</td>
</tr>
<tr>
<td>Information Services</td>
<td>Digitisation of Drug Tariff</td>
<td>0.050</td>
</tr>
<tr>
<td>Supplier Management</td>
<td>Intelligent Client Coordinator (ICC) Development</td>
<td>0.500</td>
</tr>
<tr>
<td>Student Services</td>
<td>Health Education Funding Reforms</td>
<td>0.115</td>
</tr>
<tr>
<td><strong>DH Sponsors</strong></td>
<td></td>
<td><strong>10.455</strong></td>
</tr>
<tr>
<td>NHS Pensions</td>
<td>Pensions ITIS</td>
<td>1.622</td>
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<tr>
<td>NHS Pensions</td>
<td>Pensions Operational Readiness</td>
<td>2.884</td>
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<tr>
<td>NHS Pensions</td>
<td>Contracting Out Single Tier Pensions Phase 1</td>
<td>2.500</td>
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<tr>
<td>NHS Pensions</td>
<td>Pensions Digitisation &amp; Sourcing Programme</td>
<td>0.094</td>
</tr>
<tr>
<td><strong>NHS Pensions levy</strong></td>
<td></td>
<td><strong>7.100</strong></td>
</tr>
<tr>
<td>Loss Recovery Services</td>
<td>Transforming Eligibility Services</td>
<td>0.565</td>
</tr>
<tr>
<td><strong>Recovery from PECS/DECS income</strong></td>
<td></td>
<td><strong>0.565</strong></td>
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<tr>
<td><strong>Total funding requirement 2017/18</strong></td>
<td></td>
<td><strong>18.120</strong></td>
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</table>
## Investment required for capital projects 2017/18

<table>
<thead>
<tr>
<th>Service area</th>
<th>Project name</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Dental Services</td>
<td>Dental Services Digitisation &amp; Sourcing Programme (PR002)</td>
<td>0.500</td>
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<tr>
<td>Electronic Payments</td>
<td>Paying by Direct Debit Service (Electronic Payments) (BP307)</td>
<td>0.420</td>
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<tr>
<td>Patient Services</td>
<td>Applying for a Maternity Exemption Certificate (BP258)</td>
<td>0.024</td>
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<tr>
<td>Patient Services</td>
<td>Applying for Low Income Scheme support with Health Costs (BP274)</td>
<td>1.844</td>
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<tr>
<td>Patient Services</td>
<td>Applying for a Pre Payment Certificate (BP313)</td>
<td>0.583</td>
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<td>Patient Services</td>
<td>Applying for a Medical Exemption (BP310)</td>
<td>0.060</td>
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<td>Patient Services</td>
<td>Administration of Tax Credit Exemptions</td>
<td>0.338</td>
</tr>
<tr>
<td>Information Services</td>
<td>Data Warehouse and e-PACT Replacement (BP207)</td>
<td>0.500</td>
</tr>
<tr>
<td>Information Services</td>
<td>Digitisation of Drug Tariff (BP316)</td>
<td>0.200</td>
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<tr>
<td>NHS Prescription Services</td>
<td>Digital Pharmacy Returns (BP180)</td>
<td>0.110</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Updating and Managing Medicines and Organisation Data (MODS) (BP305)</td>
<td>0.240</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Capturing Patient Details</td>
<td>0.240</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Automated QC of Prescription Forms’</td>
<td>0.360</td>
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<tr>
<td>NHS Prescription Services</td>
<td>Digital Submissions (BP275)</td>
<td>0.165</td>
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<td>NHS Pensions</td>
<td>Pensions Digitisation &amp; Sourcing Programme (BP342)</td>
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<td><strong>Digitisation and Sourcing total</strong></td>
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<td>Loss Recovery Services</td>
<td>PECS 2017/18</td>
<td>0.275</td>
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<td>Loss Recovery Services</td>
<td>BECS Transfer to DECS</td>
<td>0.058</td>
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<td>Loss Recovery Services</td>
<td>DECS 2017/18</td>
<td>0.117</td>
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<td>Loss Recovery Services</td>
<td>Transforming Eligibility Services</td>
<td>3.224</td>
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<td><strong>Loss Recovery Services total</strong></td>
<td></td>
<td><strong>3.674</strong></td>
</tr>
<tr>
<td>Service Area</td>
<td>Project Description</td>
<td>Cost</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-----------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Property &amp; Facilities</td>
<td>Bridge House - 4th Floor Remediation</td>
<td>0.400</td>
</tr>
<tr>
<td>Property &amp; Facilities</td>
<td>Bridge House - Service Duct Remediation</td>
<td>0.150</td>
</tr>
<tr>
<td>Property &amp; Facilities</td>
<td>UPS and Generator for Fleetwood for pensions transition</td>
<td>0.300</td>
</tr>
<tr>
<td>Property &amp; Facilities</td>
<td>Fleetwood continue with floor refurbishment</td>
<td>0.800</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>BH - Replace End of Life specialist plant and equipment</td>
<td>0.150</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>GVA Backlog maintenance across all properties</td>
<td>0.300</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>Ridgeway Floor refurbishment &amp; replace furniture</td>
<td>0.280</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>Wakefield Floor refurbishment &amp; replace furniture</td>
<td>0.250</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>Bridge House - Basement Remediation - Phase 2</td>
<td>0.200</td>
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<tr>
<td>Property &amp; Facilities</td>
<td>FW - Replace End of Life specialist plant and equipment</td>
<td>0.050</td>
</tr>
<tr>
<td><strong>Estates total</strong></td>
<td></td>
<td><strong>2.880</strong></td>
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<tr>
<td>NHS Prescription Services</td>
<td>Scanners Growth</td>
<td>2.000</td>
</tr>
<tr>
<td><strong>Growth Services total</strong></td>
<td></td>
<td><strong>2.000</strong></td>
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<tr>
<td>Technology Solutions</td>
<td>ITIS (PR005)</td>
<td>2.753</td>
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<tr>
<td><strong>ITIS total</strong></td>
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<td><strong>2.753</strong></td>
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<tr>
<td>Technology Solutions</td>
<td>MDIS and Legacy Pricing (BP323)</td>
<td>0.250</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Desktop Refresh (BP163)</td>
<td>0.100</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Patient Services Server Capacity Increase (BP346)</td>
<td>0.132</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Citrix EOL</td>
<td>0.150</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>EoL Remediation to support ITIS</td>
<td>0.500</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>E-Mail Spoofing</td>
<td>0.100</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>CIP Front-end Replacement</td>
<td>0.200</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Mainframe Decommissioning (BP326)</td>
<td>0.600</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Encrypted Divisional Tape Backup</td>
<td>0.180</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Patching desktop components (PDF reader, Silverlight etc.)</td>
<td>0.300</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Internet Access (BP281)</td>
<td>0.100</td>
</tr>
<tr>
<td>Service Area</td>
<td>Project Description</td>
<td>Cost (£)</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Drug Master Data Replacement (BP327)</td>
<td>0.500</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Organisational Master Data Replacement (BP328)</td>
<td>0.500</td>
</tr>
<tr>
<td><strong>IT Programme total</strong></td>
<td></td>
<td><strong>3.612</strong></td>
</tr>
<tr>
<td>NHS Pensions</td>
<td>Contracting Out Single Tier Pensions Phase 1 (BP132)</td>
<td>0.397</td>
</tr>
<tr>
<td>NHS Pensions</td>
<td>Pensions Operational Readiness (BP343)</td>
<td>2.480</td>
</tr>
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<td>NHS Pensions</td>
<td>Annual Allowance Compendia System Changes (BP260)</td>
<td>0.325</td>
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<td>NHS Pensions</td>
<td>100% Annual Benefits Statement</td>
<td>0.170</td>
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<tr>
<td><strong>NHS Pensions total</strong></td>
<td></td>
<td><strong>3.372</strong></td>
</tr>
<tr>
<td>Student Services</td>
<td>Health Education Funding Reforms (BP385)</td>
<td>0.550</td>
</tr>
<tr>
<td><strong>Student Services total</strong></td>
<td></td>
<td><strong>0.550</strong></td>
</tr>
<tr>
<td>Information Governance</td>
<td>Security Operations Centre (SOC)</td>
<td>0.100</td>
</tr>
<tr>
<td>Information Governance</td>
<td>Information Security Management System (ISMS)</td>
<td>0.250</td>
</tr>
<tr>
<td>Customer Insight &amp; Comms</td>
<td>Web Hosting &amp; Content Management (BP157)</td>
<td>0.050</td>
</tr>
<tr>
<td>NHS Dental Services</td>
<td>Dental Data Warehouse Insource</td>
<td>0.300</td>
</tr>
<tr>
<td>Electronic Payments</td>
<td>Paying by Credit Card or Debit Card (Electronic Payments) (BP364)</td>
<td>0.720</td>
</tr>
<tr>
<td>Information Services</td>
<td>Prescriber ID code format change: Phase 1 (BP315)</td>
<td>0.004</td>
</tr>
<tr>
<td>Information Services</td>
<td>Prescription NHS Number matching/PDS data Cleansing</td>
<td>0.050</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Drug Reimbursement Discount Reform (BP335)</td>
<td>0.250</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Prescription Charge Changes (BP336)</td>
<td>0.140</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Transparency Phase 3 - Access to Prescription Images</td>
<td>0.150</td>
</tr>
<tr>
<td>NHS Prescription Services</td>
<td>Dental Prescription Data Capture</td>
<td>0.150</td>
</tr>
<tr>
<td>Student Services</td>
<td>BOSS Components EOL</td>
<td>0.037</td>
</tr>
<tr>
<td><strong>Other total</strong></td>
<td></td>
<td><strong>2.201</strong></td>
</tr>
<tr>
<td>Reduction for estimated slippage on programme (15%)</td>
<td></td>
<td>-4.650</td>
</tr>
<tr>
<td><strong>Total funding requirement 2017/18</strong></td>
<td></td>
<td><strong>22.995</strong></td>
</tr>
</tbody>
</table>
Appendix 4 - NHSBSA Procurement Pipeline 2017/18

The list below details the NHSBSA procurement pipeline, including all procurement activity that will commence or be completed in 2017/18.

This excludes any procurement that falls below the Official Journal of the European Union (OJEU) thresholds.

This information is correct as at March 2017.

<table>
<thead>
<tr>
<th>Title of procurement / name of contract</th>
<th>Anticipated contract term</th>
<th>Contract value over period of contract (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procure 22 (for major and minor construction related works)*</td>
<td>4 years</td>
<td>16.8</td>
</tr>
<tr>
<td>Contingent labour - professional interims*</td>
<td>4 years</td>
<td>6.9</td>
</tr>
<tr>
<td>Contingent labour - admin / clerical staff*</td>
<td>4 years</td>
<td>2.6</td>
</tr>
<tr>
<td>Office supplies / stationery*</td>
<td>4 years</td>
<td>0.6</td>
</tr>
<tr>
<td>Learning and development*</td>
<td>4 years</td>
<td>0.6</td>
</tr>
<tr>
<td>Debt recovery solution*</td>
<td>4 years</td>
<td>1.0</td>
</tr>
<tr>
<td>IT managed infrastructure service</td>
<td>6 years</td>
<td>20.9</td>
</tr>
<tr>
<td>IT - network services*</td>
<td>6 years</td>
<td>8.5</td>
</tr>
<tr>
<td>Transformation Programme*</td>
<td>2 years</td>
<td>3.0</td>
</tr>
<tr>
<td>Scanners Supply Contract*</td>
<td>4 years</td>
<td>3.0</td>
</tr>
<tr>
<td>IT service management tooling*</td>
<td>4 years</td>
<td>0.3</td>
</tr>
<tr>
<td>Courier services for scanning bureau*</td>
<td>5 years</td>
<td>0.5</td>
</tr>
<tr>
<td>Printing of drug tariff</td>
<td>4 years</td>
<td>1.2</td>
</tr>
<tr>
<td>Building Management System support*</td>
<td>4 years</td>
<td>0.2</td>
</tr>
<tr>
<td>Occupational health*</td>
<td>4 years</td>
<td>0.2</td>
</tr>
<tr>
<td>Translation services*</td>
<td>4 years</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* To be procured through a Crown Commercial Services or any other approved framework.