



Department  
of Health &  
Social Care



*Business Services Authority*

**Framework Agreement**

**between the Department of Health and Social Care and NHS Business Services  
Authority**

**2018**



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Signed:  .....

Date: .....27/4/18.....

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## **Purpose of this document**

1.1 The purpose of this document is to define the critical elements of the relationship between the Department of Health and Social Care (the Department) and NHS Business Services Authority (NHS BSA). The document is focused on:

- how the Department and NHS BSA will work in **partnership** to serve patients, the public and the taxpayer; and
- how both NHS BSA and the Department discharge their **accountability** responsibilities effectively.

1.2 This framework document has been drawn up by the Department of Health and Social Care in consultation with NHS BSA. This document sets out the broad framework within which NHS BSA will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Department and NHS BSA. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the NHS BSA website. This is the second framework agreement between the Department and NHS BSA. NHS BSA is an organisation in its twelfth full year of operation. As such, the agreement will be kept under review (see paragraph 13.3)

## 2 NHS BSA's purpose

2.1 The NHS BSA is a special health authority established under the NHS Business Service Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005 (SI 2005/2414) and operating pursuant to Directions. The general function of NHS BSA is to provide a range of critical central services and in particular payment processing services to NHS organisations, NHS contractors, patients and the public.

2.2 NHS BSA discharges this function by:

- managing the NHS Pension Scheme in England and Wales;
- administering the European Health Insurance Card (EHIC) scheme (in the UK);
- making payments to pharmacists (in England) for prescriptions dispensed in primary care settings;
- making payments to dentists (in England and Wales) for work undertaken on NHS contracts;
- Compiling, publishing and distributing the NHS Drug Tariff for England and Wales. Approving the list of medical devices and chemical reagents that appear in the Drug Tariff and determining the price of those products;
- administering a range of health related services across the UK, including a Low Income Scheme, Medical and Maternity Exemption Schemes, Tax Credit NHS Exemption Cards (in the UK) and Prescription Pre-payment Certificates (in England);
- managing the NHS Student Bursaries Scheme and Learning Support Fund (in England);
- managing the Social Work Bursaries Scheme (in England);
- managing the NHS Injury Benefit Scheme (in England and Wales);
- providing a range of hosted employment, human resources and financial; services for various Department teams and programmes;
- Administering the England Infected Blood Support Scheme; and
- Administering an outsourced contract for NHS Jobs
- Delivering an Electronic Staff Record service.

### 3 Governance

3.1 In accordance with the NHS Business Service Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005 (SI 2005/2414) as amended by SI 2006/632, NHS BSA is led by a board made up of:

- a Non-Executive Chair appointed by the Secretary of State for Health;
- no less than 2 and no more than 5 other non-executive members in addition to the Chair, also appointed by the Secretary of State;
- a Chief Executive appointed by the non-executive members; and
- up to five Executive Directors including the Finance Director.

3.2 The Board should agree ways of working which aim to maintain a balance of non-executive and executive membership, in addition to the Non-Executive Chair.

3.3 The Permanent Secretary has appointed a Senior Departmental Sponsor (SDS) who acts as NHS BSA's designated, consistent point of contact within the Department. The SDS acts as the link at executive level between NHS BSA and the senior officials of the Department, and also with ministers. Whilst the SDS role is facilitative and recognises the need for direct engagement between NHS BSA and other parts of the Department and ministers, it also supports the Permanent Secretary in holding NHS BSA to account and providing assurance on its performance. The SDS is currently the Chief Commercial Officer. The SDS is supported by a Departmental sponsor team, which is the principal day-to-day liaison between the Department and NHS BSA.

#### *Process for setting objectives*

3.4 The process for setting objectives for NHS BSA is by discussion with sponsor branches in the Department e.g. for prescriptions, dental, pensions services. Following agreement between NHS BSA and individual sponsor branches, objectives are referred to the central sponsor team for review and final agreement. They are then set out in a letter from the SDS to the CEO of the NHS BSA. Objectives are incorporated into the NHS BSA business plan and progress reviewed at quarterly accountability reviews with the central sponsorship team and at regular meetings with area specific sponsor branches.

3.5 In accordance with relevant guidance NHS BSA must produce and publish a business plan each year demonstrating how it will exercise its functions in that financial year and forecasts for the next two financial years. A first draft is normally submitted to the Department mid-December for comments. The draft will be reviewed by central sponsors and, with reference to their specific areas, policy sponsors, and after dialogue and amendment, a final version is agreed.

3.6 The full and final business plan is usually signed off by the NHS BSA Board in March and subsequently published on its website before the end of March in advance of the new financial year.

3.7 The Department provides guidance to support this process, which includes target budgets covering administration, programme, revenue and capital funding. The

NHS BSA will also produce a three yearly strategy which is reviewed each year and agreed with the SDS.

### *Discharge of statutory functions*

3.8 NHS BSA ensures that it has appropriate arrangements in place for the discharge of each of the statutory functions for which it is responsible and is clear about the legislative requirements associated with each of them, specifically any restrictions on the delegation of those functions. It ensures that it has the necessary capacity and capability to undertake those functions, and ensures that it has the statutory power to take on a statutory function on behalf of another person or body before it does so. NHS BSA also ensures that there is periodic<sup>1</sup> audit of the discharge of its statutory functions so that the delivery of them remains effective, efficient and legally compliant.

### *Cross-government clearance*

3.9 In addition to internal governance, cross-government clearance is required before major new policy decisions of the type set out in Cabinet Office guidance.<sup>2</sup> These will not typically relate to operational decisions and management, the responsibility for which sits with NHS BSA itself. There will also be cases where the Secretary of State must consult Cabinet colleagues before giving the Government's view, even if collective agreement is not required. Although such cases are likely to be small in number, the Secretary of State is responsible for obtaining clearance. To do this, NHS BSA will supply the Secretary of State with any information he or she needs in a timely fashion. NHS BSA will adhere to any conditions applied through the clearance process.

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<sup>1</sup> BSA should include a review of this in its three-year audit cycle, but ensure that it takes steps to sufficiently assure itself on an annual basis and include details of this within its governance statement.

<sup>2</sup> Guide to Cabinet and Cabinet Committees, <http://www.cabinetoffice.gov.uk/resource-library/cabinet-committees-system-and-list-cabinet-committees>, pages 6-8



## 4 Accountability

### *Secretary of State*

4.1 The Secretary of State is accountable to Parliament for the health and social care system (its "steward"), including NHS BSA. The Department of Health and Social Care supports them in this role. This involves:

- setting national priorities and monitoring the whole system's performance to ensure it delivers what patients, people who use services and the wider public need and value most;
- setting budgets across the health and care system, including for NHS BSA;
- setting objectives for NHS BSA;
- supporting the integrity of the system by ensuring that funding, legislation and accountability arrangements protect the best interests of patients, the public and the taxpayer and
- accounting to Parliament for NHS BSA's performance and the effectiveness of the health and care system overall

### *The Principal Accounting Officer and NHS BSA's Accounting Officer*

Sponsor department's Accounting Officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)

4.2 The DHSC Permanent Secretary is the Principal Accounting Officer (PAO). The PAO has designated the NHS BSA's Chief Executive as NHS BSA's Accounting Officer. (The respective responsibilities of the PAO and accounting officers for Arm's-Length Bodies (ALBs) are set out in Chapter 3 of *Managing Public Money*,<sup>3</sup> which is sent separately to the Accounting Officer on appointment.)

4.3 The PAO is accountable to Parliament for the issue of any grant-in-aid to NHS BSA. The PAO is also responsible for advising the responsible minister:

- on an appropriate framework of objectives and targets for NHS BSA in the light of the Department's wider strategic aims and priorities;
- on an appropriate budget for NHS BSA in the light of the Department's overall public expenditure priorities; and
- on NHS BSA's progress to achieve its strategic objectives and whether it is delivering value for money.

4.4 The PAO is also responsible for ensuring arrangements are in place in order to:

- monitor NHS BSA's activities;
- address significant problems in NHS BSA, making such interventions as are judged necessary;

<sup>3</sup> <https://www.gov.uk/government/publications/managing-public-money>

- periodically carry out an assessment of the risks both to the Department and NHS BSA's objectives and activities;
- inform NHS BSA of relevant government policy in a timely manner; and
- bring concerns about the activities of NHS BSA to the full NHS BSA Board, and, as appropriate to the Departmental Board requiring explanations and assurances that appropriate action has been taken.

#### *Responsibilities of NHS BSA's Chief Executive as Accounting Officer*

##### General

4.5 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the NHS BSA. In addition, they should ensure that NHS BSA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*.

##### Responsibilities for accounting to Parliament

4.6 The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with the Government's Finance Reporting Manual for the relevant year as confirmed for the health group via the DHSC Group manual for Accounts;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about NHS BSA are established and made widely known within NHS BSA;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on NHS BSA's stewardship of public funds.

4.7 The PAO's oversight of NHS BSA's performance relies upon the provision of information, and processes to enable both parties to review performance.

4.8 The information provided to the Department by NHS BSA includes (not an exhaustive list):

- performance reporting against KPIs (each quarter);

- board papers including performance and financial information such as in year and year end outturn and performance against budgetary controls (in advance of each board meeting);
- Audit and Risk Management Committee (ARC) papers including the NHS BSA's Corporate Risk Register and Assurance Map;
- Investment business cases for approval (as required); and
- additional information (as requested)

4.9 The processes in place to enable the Department and the NHS BSA to review performance include:

- Regular accountability meetings with the NHS BSA. These take place quarterly and are attended by the Chair and Chief Executive of NHS BSA, and other key Directors, and chaired by the SDS. The focus of the meeting is on strategic issues and any issues of delivery which the SDS or the NHS BSA believes appropriate to bring to this meeting. These meetings are structured to promote openness, constructive challenge and the identification and resolution of strategic issues. Prior to every quarterly review, formal reporting takes place between central and policy sponsors followed by a meeting to assess which issues need to be raised at the quarterly review. As appropriate Senior Policy Sponsors (SPS) may attend review meetings to discuss specific issues.
- An annual accountability review with the Departmental sponsor team and the NHS BSA's Board, chaired by the SDS or their representative.
- Regular dialogue between the Department and NHS BSA, including meetings and liaison on specific projects being led by the NHS BSA
- Monthly sharing of financial performance information by NHS BSA for review by the Department.

4.10 SPSs in each of the NHS BSA's specific areas of responsibility support the SDS in holding the NHS BSA to account for its performance and actions in the delivery of specific services and policy initiatives. SPSs are specifically responsible for:

- engaging with the NHS BSA on the policy priorities that need to be reflected in its business plan and budget submission;
- supporting any appropriate submission for funding necessary for the legitimate delivery or development of services and/or policy initiatives (via the business planning, budget setting and business case approval processes);
- supporting cases for approval required under government controls (internally within the Department, to the Cabinet Office or HM Treasury);
- reviewing the NHS BSA's performance (at service specific accountability meetings held at regular intervals throughout the year) in terms of delivery of services, and the delivery of change programmes sponsored by the SPS; and

- consulting the NHS BSA in a timely fashion about any policy proposals that are likely to significantly impact the NHS BSA's operation.

4.11 NHS BSA is responsible for the delivery of its objectives and the Department will limit the circumstances in which it intervenes in its activities. The following constraints do, however, apply:

- 4.11.1 All funds allocated to NHS BSA must be spent on the statutory functions of NHS BSA. If any funds are spent outside the statutory functions of the NHS BSA the Department could seek adjustments to funding to compensate.
- 4.11.2 The Secretary of State may remove any non-executive member from the Board on the grounds of incapacity, misbehaviour or failure to carry out their duties as a non-executive member.
- 4.11.3 In the event of unresolved concerns about how NHS BSA is carrying out its functions, the Secretary of State is able to direct NHS BSA. If NHS BSA fails to comply with such Directions, the Secretary of State could either discharge relevant functions themselves, or make arrangements for another body to do so on their behalf.

## 5 NHS BSA's Board

5.1 NHS BSA is governed by its board, which is responsible for establishing and taking forward the strategic aims and objectives of NHS BSA, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State. The role of the board is as described in the corporate governance code for central government departments<sup>4</sup> and includes holding its executive management team to account and ensuring the organisation is able to account to Parliament and the public for how it has discharged its functions.

5.2 The board is led by a Non-Executive Chair, who is responsible to the Secretary of State for ensuring that NHS BSA's affairs are conducted with probity, and that NHS BSA's policies and actions support it in the discharge of its functions and duties efficiently and effectively and meet NHS BSA's objectives, including those set out in its business plan. The SDS ensures that there is an annual objective setting and review process in place for the Chair. The Chair, Chief Executive and Non-Executive Directors are responsible for appointing the Executive Directors.

NHS BSA's Chair and Non-Executive Directors are appointed by the Secretary of State. Appointments will be transparent, made on merit, and regulated by the Commissioner for Public Appointments. The Chair and Non-Executive Directors are responsible for appointing the Chief Executive.

5.3 The responsibilities of the NHS BSA's Chief Executive are:

- safeguarding the public funds and assets for which the Chief Executive has charge;
- ensuring propriety, regularity, value for money and feasibility in the handling of those funds;
- the day-to-day operations and management of NHS BSA;
- ensuring that NHS BSA is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in *Managing Public Money*, including seeking and assuring all relevant financial approvals;
- together with the Department, accounting to Parliament and the public for NHS BSA's financial performance and the delivery of its objectives;
- accounting to the Department's Permanent Secretary, who is PAO for the whole of the Department's budget, providing a line of sight from the Department to NHS BSA; and
- reporting quarterly to the PAO on performance against NHS BSA's objectives, to be discussed at formal quarterly accountability meetings chaired by the SDS.

<sup>4</sup> Guide to Cabinet and Cabinet Committees, <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>

- 5.4 The responsibilities of the board as a whole include supporting the Accounting Officer in ensuring that NHS BSA exercises proper stewardship of public funds, including compliance with the principles laid out in *Managing Public Money*; and ensuring that total capital and revenue resource use in a financial year does not exceed the amount specified by the Secretary of State.
- 5.5 The board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an ARC, chaired by an independent non-executive member with significant experience of financial leadership at board level and, in accordance with HMT guidance, have at least one other non-executive board member. Other members need not be main board members but should be able to demonstrate relevant sectorial experience at board level. The practice at NHS BSA is that each committee, including the ARC, should have at least three members; however, the Committee will be quorate if two members are present.

## 6 Partnership working

6.1 The Department and NHS BSA work together, and with the Department's other ALBs, in the interests of patients, people who use services and the public to maximise the health and wellbeing gain for the population, working to the values set out in the NHS Constitution. To support this, NHS BSA and the Department follows an 'open book' approach. In the case of issues with an impact on the development or implementation of policy, the Department can expect to be kept informed by NHS BSA. In the same way, the Department seeks to keep NHS BSA apprised of developments in policy and Government. There are likely to be some issues where the Department or NHS BSA expect to be consulted by the other before the Department or NHS BSA makes either a decision or a public statement on a matter. The Department and NHS BSA make clear which issues fall into this category in good time. The sponsor team are responsible for ensuring that this works effectively.

6.2 To support the development of this relationship, the Department and NHS BSA have agreed to a set of shared principles:

- working together for patients, people who use services and the public, demonstrating our commitment to the values of the NHS set out in its Constitution;
- respect for the importance of autonomy throughout the system, and the freedom of individual organisations to exercise their functions in the way they consider most appropriate;
- recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. NHS BSA supports the Department in the discharge of its accountability duties, and the Department supports NHS BSA in the same way.

### *Public and Parliamentary Accountability*

6.3 The Department and its ALBs share responsibility for accounting to the public and to Parliament for policies, decisions and activities across the health and care sector. Accountability to Parliament is often demonstrated through parliamentary questions, MPs' letters and appearances before parliamentary committees. Accountability to the public may be through the publication of information on NHS BSA's website, as well as through responses to letters from the public and responses to requests under the Freedom of Information Act.

6.4 The Department and its ministers remain responsible to Parliament for the system overall, so often have to take the lead in demonstrating this accountability. Where this is the case, NHS BSA will support the Department by, amongst other things, providing information for

ministers to enable them to account to Parliament. In turn, the Department provides leadership to the system for corporate governance, including setting standards for performance in accountability.

6.5 NHS BSA, however, has its own responsibilities in accounting to the public and to Parliament, and its way of handling these responsibilities is agreed with the Department. In all matters of public and parliamentary accountability the Department and its ALBs work together considerably, cooperatively and collaboratively, and any information provided by NHS BSA will be timely, accurate and, where appropriate, consistent with information provided by the Department. To facilitate this, the Department and NHS BSA have agreed a public and parliamentary accountability protocol that sets out how they work together to secure the confidence of the public and Parliament, and to maintain the service levels that MPs and the public have come to expect.



## 7 Transparency

7.1 NHS BSA is an open organisation that carries out its activities transparently. It demonstrates this by proactively publishing key information on areas including pay, diversity of the workforce, performance, the way it manages public money and the public benefits achieved through its activities, and by supporting those who wish to use the data by publishing the information within guidelines set by the Cabinet Office<sup>5</sup>. NHS BSA produces an Annual Report. This includes a governance statement, which is to be reviewed by the SDS. NHS BSA holds one public meeting per year. It is not legally required to hold open board meetings. If the Secretary of State directs the NHS BSA to make an annual report, which is standard practice, the NHS BSA must however present that annual report at a public meeting.

7.2 To underpin the principles of good communication, 'no surprises' and transparency, NHS BSA and the Department have put in place arrangements for managing communications. Further details are provided in Annex C.

7.3 NHS BSA's executive and non-executive board members operate within the general principles of the corporate governance guidelines set out by HM Treasury<sup>6</sup>. They also comply with the Cabinet Office's Code of Conduct for Board Members of Public Bodies and NHS BSA's rules on disclosure of financial interests

7.4 NHS BSA has developed a code of conduct for all staff which complies with the principles in the Cabinet Office's model code for staff of executive non-Departmental public bodies<sup>7</sup>, which includes rules on conflicts of interest, political activity and restrictions on lobbying.

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<sup>5</sup> The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, "the principles in the Code generally hold across other parts of central government, including Departments' Arm's Length Bodies".

<sup>6</sup> The guidance is available on the Gov.UK website: <https://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>

<sup>7</sup> [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5\\_public\\_body\\_staffv2\\_tcm6-2484.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5_public_body_staffv2_tcm6-2484.pdf)

7.5 NHS BSA takes all necessary measures to ensure that:

- patient, personal and/or sensitive information within its care and control is well managed and protected through all stages of its use, including through compliance with the Data Protection Act and the General Data Protection Regulation.
- it provides public assurance in respect of its information governance practice by completing and publishing an annual information governance assessment using an agreed assessment mechanism; and
- it meets its legal obligations for records management, accountability and public information by compliance with relevant standards, including government and NHS codes of practice on confidentiality, security and records management.

7.7 NHS BSA's Senior Information Risk Owner and Caldicott Guardian work together to ensure that both patient and other personal information are handled in line with best practice in government and the wider public sector.

7.8 NHS BSA, as with the Department and all its ALBs, will have whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance (nhsemployers.org)<sup>8</sup>. It should prohibit the use of confidentiality clauses that seek to prevent staff from speaking out on issues of public interest.

### *Sustainability*

7.9 As a major public sector body, NHS BSA has a key role to play in driving forward the government's commitment to sustainability in the economy, society and the environment. As a minimum, NHS BSA should comply with the Greening Government Commitments<sup>9</sup> that apply to all government departments, executive agencies and non-departmental public bodies, set out in the action plan for driving sustainable operations and procurement across government. Reporting is to be via the Department (including the consolidation of relevant information in the Department's annual resource account), and the Department ensure that NHS BSA is aware of the process for this.

<sup>8</sup> <http://nhsemployers.org/EmploymentPolicyAndPractice/UKEmploymentPractice/RaisingConcerns/Pages/Whistleblowing.aspx>

<sup>9</sup> <https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020>

## 8 Audit

- 8.1 The Comptroller and Auditor General (C&AG) audits both NHS BSA's annual general accounts and NHS Pensions accounts and passes the audited general accounts to the Secretary of State and the Pensions accounts to HMT who will lay the accounts together with the C&AG's report before Parliament.
- 8.2 The C&AG may also choose to conduct a value-for-money audit of any aspect of NHS BSA's work: NHS BSA will co-operate fully with the NAO in pursuing such audits, and give it full access to all relevant files and information.
- 8.3 In the event that NHS BSA sets up and controls subsidiary companies, NHS BSA will in the light of the provisions in the Companies Act 2006 ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. NHS BSA shall discuss with the DHSC sponsor department the procedures for appointing the C&AG as auditor of the companies.
- 8.4 NHS BSA is responsible for establishing and maintaining internal audit arrangements in accordance with the Public Sector Internal Audit Standards<sup>10</sup>. NHS BSA's internal audit function should report to its ARC and should consider issues relating to NHS BSA's adherence to its business plan. The Department's ARC remit includes risk management, corporate governance and assurance arrangements in all its subsidiary bodies and so NHS BSA's ARC should work closely with the Departmental committee.

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<sup>10</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

## **9 Delegations and financial management**

- 9.1 Details of NHS BSA's financial arrangements, including funding allocation, in-year reporting, preparation of accounts, and the Accounting Officer's responsibilities in relation to financial management and NHS BSA's accounts, are provided in Annex B.
- 9.2 NHS BSA's overall revenue and capital resources are set out each year in a letter from the SDS to the Chief Executive of NHS BSA.
- 9.3 NHS BSA's delegated authorities are issued to it by the Department, including those areas where NHS BSA must obtain the Department's written approval including cross-government clearance as required, before proceeding. The Secretary of State is responsible for obtaining clearance and NHS BSA must adhere to any conditions applied through the clearance process. NHS BSA will adhere to these delegated authorities. Authority to approve novel, contentious or repercussive proposals cannot be delegated from HM Treasury.
- 9.4 NHS BSA must demonstrate that it is delivering its functions in the most efficient manner, and must provide timely returns to the Department where these are required either by it or by other departments within central government.
- 9.5 NHS BSA, as with all public bodies and government departments, must operate within any relevant set of efficiency controls. These controls may affect areas of spend such as information communications technology (ICT), marketing and advertising, procurement, consultancy, the public sector estate, recruitment, major projects or strategic supplier management. The Department ensures that NHS BSA is kept informed of any efficiency controls in operation.
- 9.6 As part of the government's approach to managing and delivering public service at a reduced cost base, NHS BSA, as with all other ALBs and the Department, will in future, where appropriate, receive its back office support, including finance and accounting, HR, payroll, procurement and ICT, through a shared or standardised service approach. Details of the services between NHS BSA and the service provider will be set out in contract or where appropriate a service level agreement (SLA).
- 9.7 A shared or standardised value for money approach will also apply to the use of estate. NHS BSA will comply with guidance on property and asset management, as set out in Annex A, and the principles set out by the Department's Estate Strategy Optimisation Board.

## 10 Risk management

- 10.1 NHS BSA ensures that it deals with the risks that it faces in an appropriate manner, according to best practice in corporate governance, and has developed a risk management strategy in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*<sup>11</sup>. It has adopted and implemented policies and practices to safeguard itself against fraud and theft, in line with HM Treasury guidance<sup>12</sup>. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.
- 10.2 NHS BSA has developed a reporting process to assure its board of financial and operational performance against the business plan at its board meetings which take place eight times a year. This assurance report includes information on risks and how they are being managed in accordance with the Treasury guidance mentioned above. The information prepared is shared with the Department to enable the Department to assure itself on risk management. NHS BSA and the Department agrees a process and trigger points for the escalation of risks to the Department's Assurance and Risk Committee (DHSC ARC), where those risks will have a potentially significant impact on NHS BSA, the Department or the wider system that requires a co-ordinated response.
- 10.3 Risks to the wider system that arise from the NHS BSA's operations, identified by NHS BSA, the Department or another body, are flagged in the formal quarterly accountability meetings chaired by the SDS. Such risks may also be flagged by NHS BSA's Board and escalated to the DHSC ARC for consideration. It is the responsibility of NHS BSA and its sponsor to keep each other informed of significant risks to, or arising from, the operations of NHS BSA within the wider system.
- 10.4 NHS BSA has effective and tested business continuity management (BCM) arrangements in place to be able to respond to disruption to business and to recover time-critical functions where necessary. In line with Cabinet Office guidelines, the BCM system should aim to comply with ISO 22301 Societal Security – Business Continuity Management Systems.

<sup>11</sup> [http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf)

<sup>12</sup> [http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)

## 11. Human resources

- 11.1 NHS BSA is responsible for recruiting staff, but complies with any departmental or government-wide recruitment controls as applicable to NHS employing organisations.
- 11.2 The Department ensures that NHS BSA is made aware of any such controls. Executive and senior managers in NHS BSA are subject to the Department of Health pay framework for executive and senior managers in ALBs, and may be subject to additional governance as specified by the Department. The Department ensures that NHS BSA is aware of any such requirements or restrictions.
- 11.3 NHS BSA must obtain the approval of the Secretary of State in respect of policies relating to remuneration, pensions, allowances or gratuities.
- 11.3.1 Executive and senior manager remuneration is subject to the recommendations of the Senior Salaries Review Body. Medical Leaders' remuneration is subject to the government response to recommendations of the Doctors and Dentists Pay Review Body.
- 11.3.2 In relation to pensions, the organisational pension scheme is the NHS Pensions scheme, which is administered by the NHS BSA and has rules set down in legislation.
- 11.4 Like all departments and ALBs, NHS BSA is required to follow any requirements for disclosure of pay or pay-related information.
- 11.5 Subject to its financial delegations, NHS BSA is required to comply with the Department's and HM Treasury's approval processes in relation to contractual redundancy payments. All novel or contentious payments require the Department's and HM Treasury's approval. Special severance payments are always considered novel or contentious (this includes any proposal to make a payment as a result of judicial mediation).

### *Equalities*

- 11.6 The public sector equality duty (PSED) requires NHS BSA (as a public body) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

11.7 The provisions of the Equality Act 2010 (Specific Duties) Regulations 2011 require NHS BSA, as a public body, to:

- annually, publish information to demonstrate compliance with the PSED<sup>13</sup>. This information must include, in particular, information relating to persons who share a relevant protected characteristic who are its employees (provided the organisation has 150 or more employees) and other persons affected by its policies and procedures;
- prepare and publish one or more objectives it thinks it should achieve to meet the PSED.

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<sup>13</sup> <https://www.gov.uk/guidance/equality-act-2010-guidance#public-sector-equality-duty>

## **12 Relations with the Department's other arm's-length bodies**

12.1 NHS BSA works in partnership with the Department and its other ALBs, in the interests of patients, people who use services and the public, to maximise the health and wellbeing gain for the population, and working to the values set out in the NHS Constitution.

12.2 The Department and its ALBs have complementary but distinct roles within the system to ensure that service users receive high quality services which deliver value for public money. Details of the working arrangements with these bodies are agreed and set out in a partnership agreement.

12.3 NHS BSA has the following relationships with other ALBs and NHS bodies:

- NHS BSA hosts staff for NHS England, NHS Improvement, Health Research Authority, Health Education England and NHS Counter Fraud Authority. HR services are also provided for these ALBs;
- NHS BSA collects data on a range of issues which it shares with NHS Digital;
- NHS BSA also provides services via agreements to devolved administrations.



## **13 Review**

- 13.1 NHS BSA objectives are refreshed every year through the business planning process described above. Objectives are set out in a letter from the SDS to the Chief Executive of NHS BSA before the start of the financial year and are published. The letter is reviewed annually and re-published where any changes or additions are made.**
- 13.2 The Department regularly reviews NHS BSA's performance at formal accountability meetings. In addition, the Department undertakes an in-depth tailored review of NHS BSA as well as its other ALBs at least once in every Parliament. The timing and areas of focus of the review will be determined by the Department in discussion with NHS BSA and other relevant parties.**
- 13.3 NHS BSA is established by The NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005 (as amended). Any change to its core functions or duties, including mergers, significant restructuring or abolition would therefore require further legislation. If this were to happen, the Department would then be responsible for putting in place arrangements to ensure a smooth and orderly transition. In particular, the Department is to ensure that, where necessary, procedures are in place in the ALB so the Department can obtain independent assurance on key transactions, financial commitments, cash flows, HR arrangements and other information needed to handle the transition effectively and to maintain the momentum of any on-going and/or transferred work.**
- 13.4 This agreement will be reviewed every three years, or sooner upon request of either party.**





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**Annex A: Wider Guidance**

**2018**

The following general guidance documents and instructions apply to NHS Business Services Authority (NHS BSA). The Department may require NHS BSA to provide additional management information on an ad hoc basis. Where this is the case, the Department will provide NHS BSA with clear reasons for the request and will allow as much time as possible to comply with the request.

### General

- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice and its related guidance  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Managing Public Money  
[http://www.civilservant.org.uk/library/2015\\_Managing\\_Public\\_Money.pdf](http://www.civilservant.org.uk/library/2015_Managing_Public_Money.pdf)
- Code of Conduct for Board Members of Public Bodies  
<https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>
- Governance code on public appointments  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/578498/governance\\_code\\_on\\_public\\_appointments\\_16\\_12\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf)
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration  
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters;
- The NHS Records Management code of practice  
<https://digital.nhs.uk/article/1202/Records-Management-Code-of-Practice-for-Health-and-Social-Care-2016>
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts (WGO).
- Other relevant instructions and guidance issued by the central departments.
- Any statutory duties that are applicable to NHS BSA.
- Specific instructions and guidance issued by the Department, including requests for information.
- Any departmental plans to ensure continuity of services.
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to NHS BSA.

### Audit and Risk

- Public Sector Internal Audit Standards  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards-good-practice-guidance>
- Audit and Risk Assurance Committee Handbook  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/512760/PU1934\\_Audit\\_committee\\_handbook.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf)

- Management of Risk: Principles and Concepts  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)
- HM Treasury guidance on tackling fraud

## Finance

- Government Financial Reporting Manual (FReM)  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- Departmental Banking: A Manual for Government Departments, Annex 5.6 of *Managing Public Money*
- Relevant Dear Accounting Officer letters
- Regularity, Propriety and Value for Money [http://www.esrc.ac.uk/files/about-us/governance-and-structure/regularity-propiety-and-value-for-money-hm-treasury-see-annex-21/Improving spending control](http://www.esrc.ac.uk/files/about-us/governance-and-structure/regularity-propiety-and-value-for-money-hm-treasury-see-annex-21/Improving%20spending%20control)  
[http://www.hm-treasury.gov.uk/improving\\_spending\\_control.htm](http://www.hm-treasury.gov.uk/improving_spending_control.htm)

## HR

- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office) <https://www.gov.uk/government/publications/public-bodies-information-and-guidance>
- DHSC Pay Framework for Executive and Senior Managers in Arms-Length Bodies

## FOI

- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);

## Estates and Sustainability

- Greening Government Commitments  
<https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020>
- Government Property Unit National Property Controls and standards for office accommodation (available from DH)
- The Department of Health and Social Care's Property Asset Management procedures (available from DHSC)

## Information Governance and Security

- The NHS Information Governance Toolkit <https://www.igt.hscic.gov.uk/>

- IA Standard No. 6: *Protecting Personal Data and Managing Information Risk* (available from DH)
- HM Government's *Security Policy Framework*  
<https://www.gov.uk/government/publications/security-policy-framework>
- Information Security Management: *NHS Code of Practice*  
<https://www.gov.uk/government/publications/information-security-management-nhs-code-of-practice>
- Confidentiality: *NHS Code of Practice*  
<https://www.gov.uk/government/publications/confidentiality-nhs-code-of-practice>

## Transparency

- Guidance on Gov.UK website  
<https://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>



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**Annex B: Finance and Accounting**

**2018**

## **General**

1. The Framework Agreement sets out the broad framework within which NHS Business Services Authority (NHS BSA) will operate. This annex provides additional detail on the finance and accounting arrangements that complement the Framework Agreement itself.

## **Annual Expenditure Limits**

2. The Secretary of State will issue NHS BSA with a budget each year in line with the prevailing Business Planning process (see para 3.7 in the Framework Agreement). As Accounting Officer, the NHS BSA's Chief Executive must ensure that, in any financial year, NHS BSA's spending in each of the following categories does not exceed the limit set by the Secretary of State for that year:
  - revenue (non ring-fence);
  - revenue (ring-fence);
  - capital;
  - annually managed expenditure.
3. The NHS BSA's Accounting Officer must also ensure that:
  - NHS BSA's total spending on administration in any financial year does not exceed the admin control limit for NHS BSA which is set by the Secretary of State as a subset of the revenue resource limit; and that
  - in any given year the cash usage of NHS BSA does not exceed the cash limit (allotment) plus any payments received which are used to offset expenditure that would have otherwise scored against this limit.
4. Each of the controls referred to in paragraphs 2 and 3 above must be met individually.
5. In addition to its specific financial responsibilities, NHS BSA has a shared responsibility to facilitate the effective financial management of the health system, including delivery of the controls imposed upon the system by HM Treasury. Effective partnerships developed with other relevant bodies, particularly NHS England and NHS Improvement will be key to this
6. Where parties agree information is required to support assurance in respect of financial responsibilities, NHS BSA will supply the Secretary of State with any information they needs in a timely fashion.



## **Business Planning**

7. The NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires NHS BSA to produce a business plan each year (see paragraph 3.5 of the Framework Agreement). The plan will be required to be costed: supporting guidance issued by the Department will provide the format and level of financial detail required.
8. Indicative budgets for both administration and programme funded activity will be issued with the planning guidance, incorporating any guidance on overall efficiencies relevant to the Department and its arm's-length bodies.
9. The business plan will need to identify detailed revenue, capital and cash forecasts for parliamentary funded activity, and also equivalent expenditure associated with any other income sources. It will need to clearly identify the distinction between costs and income falling inside and outside the administration budget regime.

## **Accounts**

10. Paragraph 6.6 of the Framework Agreement sets out the expectation, arising from Secretary of State's powers under the NHS Act 2006 (as amended), that the Department will routinely have full access to NHS BSA's information and files. In relation to financial reporting, the Department is required by HM Treasury to report in-year financial performance and forecasts for all of its arm's-length bodies, by Estimate Line, and in a specified format, to a strict timetable. NHS BSA is required to comply with Departmental plans and schedules which enable the Department to meet HM Treasury deadlines, and the Department's overall financial planning to meet HM Treasury spending controls through the Shared Financial Planning Agreement.
11. NHS BSA must prepare annual accounts for each financial year ending 31 March, and interim accounts for shorter periods if required. In relation to these accounts, NHS BSA must:
  - ensure that accounts are prepared according to the form, content, methods and principles prescribed by the Secretary of State in his annual group accounting instructions;
  - submit draft accounts by a date to be specified by the Secretary of State to the Secretary of State; and
  - submit the final accounts to the Secretary of State and Comptroller and Auditor General (C&AG).
12. The C&AG must examine, certify and report on the consolidated annual accounts, and lay copies of the accounts and the report on them before Parliament.

13. As mentioned in 4.6 in the Framework Agreement, as soon as practicable after the end of each financial year and before 31 January after the end of a financial year, NHS BSA must publish a report of its activities together with its audited accounts. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts are to be signed by NHS BSA's Accounting Officer and laid before Parliament by NHS BSA and made available on NHS BSA's website, in accordance with the guidance in the Government Financial Reporting Manual (FReM). A draft of the report should be submitted to the Department in line with the published timetable.

14. The NHS BSA's Accounting Officer must also ensure that NHS BSA participates fully in all agreement of balances exercises initiated by the Department, and in the form specified by the Department, and that it agrees income and expenditure and payables and receivables balances both with other organisations within the Department's resource accounting boundary and, for the purposes of the Whole Government Accounts, with other government bodies outside that boundary. In doing so, NHS BSA should seek to agree all outstanding balances but in any case should keep within any level of materiality set by the Department.

## **Audit**

15. Section 8 of the Framework Agreement sets out the high level requirements for audit.

16. To meet the requirements for internal audit, NHS BSA must:

- ensure the Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with Public Sector Internal Audit Standards;
- prepare an audit strategy, taking into account the Department's priorities, and forward the audit strategy, periodic audit plans and annual audit report, including NHS BSA's Head of Internal Audit's opinion on risk management, control and governance as soon as possible to the Department; and
- keep records of fraud and theft suffered by NHS BSA and notify the Department of any unusual or major incidents as soon as possible.

17. The Department is committed to the development of a group assurance model for DHSC and its arms-length bodies. NHS BSA will engage with the Department in the development of these group assurance arrangements.

18. The Department's group internal audit service has a right of access to all documents prepared by NHS BSA's internal auditor, including where the service is contracted out (until such time when the contract expires, after which Group Internal Audit will provide the audit service – including having access to all previous audit documentation).
19. For external audit, the C&AG audits NHS BSA's annual accounts, who lays them before Parliament together with his report. In the event that NHS BSA has set up and controls subsidiary companies, NHS BSA will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. NHS BSA shall discuss with the Department the procedures for appointing the C&AG as auditor of the companies.
20. The C&AG:
- will consult the Department and NHS BSA on whom – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
  - has a statutory right of access to relevant documents including, by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from NHS BSA;
  - will share with the Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within NHS BSA; and
  - will, where asked, provide the Department and other relevant bodies with regulatory compliance reports and other similar reports which the Department may request at the commencement of the audit and which are compatible with the independent auditor's role.
21. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NHS BSA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, NHS BSA is to provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and is to use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## Delegated Authorities

22. Paragraph 9.5 of the Framework Agreement requires NHS BSA to abide by any relevant cross-government efficiency controls. The Secretary of State has approved the establishment of revised controls for NHS BSA, applicable specifically to and only for its expenditure on transition activities concerned with developing itself as a new organisation, where these activities will by their very nature be critical to the success of the system-wide reforms. These controls will be communicated to NHS BSA.

23. Once the NHS BSA's business plan has been approved by the Department and subject to the Secretary of State's instructions and any other processes set out in this document, NHS BSA has authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

- NHS BSA will comply with its delegated authorities, which cannot be altered without the prior agreement of the Department, noting that authority to approve novel, contentious or repercussive proposals cannot be delegated from HM Treasury; and
- Inclusion of any planned and approved expenditure in the budget will not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed.

24. NHS BSA must obtain the Department's prior written approval before entering into any undertaking to incur expenditure outside its delegations or not provided for in its business plan as approved by the Department. In addition, the Department's prior written approval is required when:

- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

25. For major projects, NHS BSA will participate in the Department's common assurance and approval process.

26. Where prior approval of spending is required, relevant information will be shared in good time.





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**Annex C: Public-facing Communications**

**2018**

## General

- C1. The Communications Annex (the annex) is an annex to the main Framework Agreement which defines the critical elements of the relationship between the Department of Health and Social Care (The Department) and NHS Business Services Authority (NHS BSA). Section 4 of the Framework Agreement sets out how the Department and NHS BSA discharge their accountability responsibilities effectively. Section 4 makes clear that the Secretary of State is accountable to Parliament for the health system as its "steward", including NHS BSA, and that the Department's Permanent Secretary (as the Principal Accounting Officer) is accountable to Parliament for the issue of any grant-in-aid to NHS BSA.
- C2. This provides the context in which the annex sets out the basic principles guiding co-operation and collaborative working between the Department and NHS BSA across all aspects of communication and marketing activities to deliver impactful and cost-effective communications in the context of our shared accountability to Parliament and the public.
- C3. The principles are supported by and reflected in the jointly-agreed health and care communications operating model that provides the operational framework for our co-operation (see Figure 1 below).
- C4. The Directors of Communication in the Department and NHS BSA will ensure this document is shared, understood and adhered to across all communications functions and by all relevant members of staff, including where appropriate central, regional and local teams.
- C5. The Department and NHS BSA commit to regularly reviewing the effectiveness of the arrangements described in this annex via the Health Hub<sup>1</sup> and other regular meetings and discussion forums. NHS BSA will identify opportunities for shared learning and improvement and also identify any further amendments that may be required to this document over time.
- C6. This annex is supported by a number of formal and informal networks and meetings and forums that provide additional opportunities for agreement on joint working in relation to specific communications functions and activities. In addition to these networks, the Department and NHS BSA may propose the development of additional agreements to address specific issues. These agreements will have the same binding function as the annex.

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<sup>1</sup> The Health Hub is the quarterly meeting of the Directors and Heads of Communications from DHSC and its ALBs.



## Principles of co-operation

C7. The Department and NHS BSA agree on the following principles of co-operation, building on the health and care communications operating model agreed by the Health Hub in May 2017, and which apply to all areas of our communications activity:

**i. *We have mutual respect for the different roles and responsibilities of each organisation***

We recognise that each organisation has unique objectives and responsibilities related to its specific role within the health and care system which impacts on its communications activity.

This means that we agree, for instance, that the Department and NHS BSA will continue to establish and maintain independent relationships with all those interested in or affected by each organisation's work, including the media.

**ii. *We co-operate and co-ordinate our work***

We recognise that each organisation has a unique role and purpose within the health and care system. However, we also agree that co-operation and co-ordination around external and internal communication is necessary in order to maintain public confidence in the health and care system.

On the basis of our jointly-agreed operating model, we will regularly identify and agree shared priority areas of co-operation and integrated working that support the health and care system's shared priorities. We will agree and implement an integrated communications approach for those areas and ensure this approach is fully embedded across organisations.

**iii. *We operate a 'no surprises' policy***

We keep each other informed and updated on any issues that may impact on or affect other organisations or Departments, ministerial or wider Government priorities, or any issues that may have a reputational impact on the system.

We will do this in a timely manner to allow others to react and/or provide input in advance of content being shared with the public, media or other stakeholders.

In particular, we agree that NHS BSA and the Department should give each other sufficient advance notice and sight of decisions or publications in order to allow the Department or NHS BSA to consult or seek any clearances (including cross-Government clearance) that may be required prior to the publication of a report or announcement that sets policy or has operational, financial or policy implications.

We will ensure that policy and sponsor colleagues are informed about any decisions, announcements or consultations of which we are aware.

We will use established communications routes such as weekly teleconferences, media-planning grid discussions and other forums in an open and transparent manner to keep each other informed; and we commit to supplementing these conversations through other additional information exchanges if and when appropriate.

**iv. *We seek to enhance the efficiency and effectiveness of our work***

We will strive to share skills, best practice and resources in order to increase the efficiency and effectiveness of our work. We will use the joint forums to identify and agree areas where this is possible and of benefit to all involved.

We will use the cross-system Health and Care Communications Board (HCCB) and other supporting processes to scrutinise major paid-for communications and marketing activities to ensure best value for money is achieved.

We will seek to identify areas where, through co-operation and co-ordination across the health and care system, we can achieve additional efficiencies.

- C8. There may be exceptional circumstances, such as legal cases or data protection issues, where adhering to these principles may be challenging. We agree to seek to resolve such issues mindful of our overarching shared responsibility to maintain public confidence in the health and care system at all times.

**The health and care communications operating model**

- C9. The principles of co-operation between the Department and its Arms Length Bodies (ALBs) are supported by a jointly-agreed structure to support effective co-operation, co-ordination and collaboration - the health and care communications operating model (the operating model, Figure 1 below). This was agreed by the Health Hub meeting in May 2017.
- C10. The operating model does not replace or supersede any existing accountabilities or operating frameworks in place within any ALBs or the Department. Its purpose is to provide clarity, definition and a set of "rules of engagement" that govern how we operate as a network of communicators, and how we agree on and address areas of shared interest.
- C11. The operating model will be kept under review and may be amended as circumstances require. However, changes will require the agreement of the majority of Health Hub members and be supported by the Director of Communications of the Department, as the group head of profession.
- C12. The areas of shared interest and co-operation are grouped around three broad headings:

- **Strategy (shared plans):** how we jointly agree on areas of co-operation and how that co-operation is put into practice and its implementation monitored;
- **Standards:** how we maintain the highest professional standards and capability to build a skilled workforce which works effectively and efficiently, and adopts Innovation and Industry global best practice; and
- **Spend:** how we ensure that paid-for communications and marketing activity supports our shared priorities, is of the highest professional standards and achieves best value for money.

C13. The three areas of common interest are dealt with by the HCCB. The Communications Capability Board and the Brand Board provide reports into the HCCB.

C14. The Department and its ALBs agree to support and actively engage in the operating model and its bodies and to implement and support the decisions made within that model. The terms of reference for each of the bodies are agreed within the respective bodies

## Health and care communications operating model

