NHS

Business Services Authority

# Annual Report and Accounts

2025-26

HC 422

Business Services Authority

# NHS Business Services Authority Annual Report and Accounts 2025/26

For the period 1 April 2025 to 31 March 2026

Accounts presented to Parliament pursuant to Section 29A(7) of the National Health Service Act 2006

Report presented to Parliament by Command of His Majesty

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# Foreword from the Chair

**Sue Douthwaite**
**Chair**

**The NHS and the wider health and social care system continue to evolve rapidly, shaped by significant change and a renewed national focus on efficiency and value.**

The NHS Business Services Authority (NHSBSA) continued to deliver high levels of performance in the year 2025/26, demonstrating both the strength of this organisation and the realities of operating in a changing and increasingly demanding environment.

The board has been clear throughout the year about the challenges we face, including pressures within the NHS Pensions Service, and I am confident that we have responded with appropriate rigour and a genuine commitment to improvement. This rigorousness has been driven by a focus on improving customer service and ensuring the needs of our wider stakeholders.

Equally, I have been pleased to see the organisation reach a significant milestone with the signing of the contract for the Future NHS Workforce Solution – a programme that will have lasting, transformational consequences for the NHS for years to come.

Our commitment to being a sustainable and inclusive organisation remains unwavering, and our strategy reinforces the long-term seriousness with which we approach our environmental responsibilities. Our people and our customers, as ever, are at the heart of everything we achieve.

What gives me greatest confidence as I look ahead is the strength of the foundations we are building. Our commitment to efficiency, to digital innovation and to our people is consistent and real. We continue to demonstrate that a well-run, purpose-driven public sector organisation can deliver greater value, year on year, while remaining a place where colleagues feel respected and supported.

The NHSBSA continues to make an essential and valuable contribution to the NHS and to the lives it supports. I have no doubt that with a focus on risk management and operational delivery it will continue to build on the foundations it has worked so hard to put in place.

**Our people and our customers, as ever, are at the heart of everything we achieve.**

# 01

# Performance report

**Overview of 2025/26**

Details of our purpose, activities and performance during the year

# 1. Performance report

Our performance report gives an overview of who we are, what we do, our purpose, and our performance during 2025/26. The report includes:

## 1.1 Performance overview

Overview of the NHS Business Services Authority (NHSBSA), including our purpose, the outcomes and objectives we are aiming to achieve, our performance against these outcomes and objectives, and the impact of and management of key risks.

## 1.2 Performance analysis

Details of our performance, risks impacting delivery, financial review, and our sustainability report.

# 1.1 Performance overview

## 1.1.1 Introduction from our Chief Executive

### A year of achievement, learning and progress

This Annual Report and Accounts reflects on our second year delivering against our 2024-2029 strategy – a year shaped by genuine achievement, important learning and the sustained commitment of the people who make up our organisation.

At the heart of everything we do is a simple but powerful vision: to deliver business service excellence to the NHS, helping people live longer, healthier lives.

This year we delivered over £276 million in system efficiencies and over £10 million in operational savings – offering real value for the NHS and for taxpayers. Underpinning this was strong digital performance: we maintained 99.93% service availability, and we processed a record 102 million electronic prescriptions in a single month. We also made meaningful progress towards making more services available through Apple Wallet and Google Wallet, improving access for citizens.

A landmark moment this year was signing the contract for the Future NHS Workforce Solution – a programme to replace the Electronic Staff Record, currently the world's largest centralised HR and payroll system. The solution will transform how the NHS manages its workforce for years to come and is the culmination of years of careful preparation. It is a genuine step forward in our long-term ambition.

**Michael Brodie CBE**
**Chief Executive**

I also want to be open about where we have faced challenges. Delivery pressures in our NHS Pensions Service meant performance and customer satisfaction fell below standard. We have taken this seriously and a focused recovery plan is under way, and I am committed to restoring performance to the level our customers rightly expect and deserve.

On sustainability, 2025/26 marked the first year of our new 2025–2030 Environment Strategy, establishing our baseline under the new Greening Government Commitments (GGC) framework. We achieved a 72% reduction in greenhouse gas emissions against our baseline, reducing both energy usage and cost to the taxpayer.

Our people continue to be our greatest strength. For the sixth consecutive year, we achieved Two-Star Outstanding Engagement in the Best Companies Index, and we were ranked 30th in the Social Mobility Index – recognition that

reflects our genuine commitment to being a great and inclusive place to work. This year we also launched our Safety, Safeguarding and Wellbeing Strategy, reinforcing that commitment in a more structured and visible way.

I extend my sincere thanks to every colleague, partner and delivery team who has contributed to what we have achieved. We are all people connected to care – and that shared sense of purpose continues to drive us forward.

> **At the heart of everything we do is a simple but powerful vision: to deliver business service excellence to the NHS, helping people live longer, healthier lives.**

## 1.1.2 Who we are

The NHSBSA plays a central role in supporting the health and social care system in England by delivering national, at scale business services that help people live longer, healthier lives. Our remit spans critical services that support patients, NHS organisations and wider system partners. Over £100 billion of NHS spend flows through our systems annually.

We are a non-departmental public body sponsored by the Department of Health and Social Care (DHSC). Some of our functions extend outside of England where required and are delivered in accordance with DHSC sponsorship and national strategy.

We are governed by a board appointed through DHSC, with oversight that ensures robust performance, good governance and stewardship of public resources.

By working collaboratively with a wide range of partners including NHS trusts, integrated care boards (ICBs), pharmacies, dentists, GPs, local authorities, commercial suppliers and professional bodies, we design, deliver and improve services, ensuring they meet the needs of diverse communities across the country. Our services address system needs and add value through national and at scale delivery and consistency.

Our digital expertise, operational delivery capability, customer service excellence and data-driven insights support national priorities across health and social care. This includes modernising systems, expanding use of automation and AI, and strengthening our role in informing decisions that improve patient outcomes.

### Our services

We deliver a diverse and comprehensive, national service offering across six key domains:

**NHS Pensions**

**NHS Workforce Services**

**Electronic Staff Record (ESR)/ Future NHS Workforce Solution**

**Primary Care Services**

**Citizen Services**

**Data Services**

Each domain plays a critical role in supporting the NHS workforce, patients, and the wider health and care system.

#### NHS Pensions

NHS Pensions administers the NHS Pension Scheme, ensuring members and employers receive accurate, timely and compliant pension services throughout every stage of the pension lifecycle.

#### NHS Workforce Services

Workforce Services delivers a suite of national workforce platforms and services that support the NHS throughout the employee journey. This includes:

- Student Services, which funds and supports the future health and social care workforce
- NHS Jobs, the national recruitment platform for the NHS
- HR Shared Services (HRSS), which provides efficient HR and recruitment support

#### ESR/Future NHS Workforce Solution

This service operates ESR which is the largest centralised HR and payroll system in the world. It leads the procurement and delivery of the Future NHS Workforce Solution, which will succeed ESR and modernise workforce management across the system.

## Primary Care Services

Primary Care Services provides a range of national functions that support key NHS providers, including NHS Prescription Services, NHS Dental Services and Provider Assurance. This includes paying dentists and dispensing contractors for the NHS services they deliver, ensuring providers receive accurate and timely payments.

The service supports contract assurance through Provider Assurance activities, administers the Vaccine Damage Payment Scheme (VDPS) on behalf of DHSC, and provides scanning services that digitise paper records and reduce storage costs across the NHS.

## Citizen Services

Citizen Services delivers a wide range of public-facing services that enable people across the UK to access the healthcare support, entitlements and information they need. This includes operating multi-channel customer contact services, administering Help with Health Costs schemes in England, and providing exemption checking services.

The team also oversees Health and Community Services such as NHS Healthy Start and administers the England Infected Blood Support Scheme (EIBSS) on behalf of DHSC. In addition, Citizen Services manages reciprocal healthcare arrangements through Overseas Healthcare Services, including the Global Health Insurance Card (GHIC) and the Immigration Health Surcharge Reimbursement Scheme.

## Data Services

Data Services transforms organisational and system-wide data into actionable insights that support better decision making across the health and care system. The service provides accurate, timely and trusted data, analytics and official statistics to the NHS and wider stakeholders and uses this information to inform decisions on patient safety and health outcomes through the NHSBSA Open Data Portal. It also empowers users by offering tools, dashboards and reports that enable self-service analytics and consistent, reliable insight.

We remain committed to delivering business service excellence across everything we do, with a continued focus on maximising efficiency and reducing fraud, error, and waste.

As we move into a new financial year, our success will be driven by the strength of our Digital, Data and Technology (DDaT) function and its capabilities, supported by our other enabling functions including:

- People and Communications
- Finance, Commercial and Estates
- Strategy and Transition
- Portfolio Management

Together, these teams provide the foundations that ensure our operational services run seamlessly and effectively. Their collective expertise enables us to deliver reliable, high-quality services for our customers and partners, while continually improving how we operate and preparing the organisation for future needs.

# Supporting government priorities

When changes in political priorities arise, we review our performance and commitments to make sure that we are fully aligned to government aims. In 2025/26, it was agreed that no changes were required to our five-year strategy. The following section outlines key government priorities and how we are supporting them.

## Focusing on efficiency

The 2025 Spending Review provided a renewed focus on efficiency. We recognise the importance of our responsibility to drive efficiency and maximise taxpayer money to deliver the best possible outcomes for the public. We are supporting national priorities by:

- delivering national business services that support the effective operation of the health and social care system
- improving efficiency, accountability and value for money across the services we provide
- implementing a recruitment pause where any recruitment (internal or external) is approved by exception to enable us to maintain delivery as cost-effectively as possible (this was implemented in 2025)
- supporting NHS organisations and partners through high quality data, insight and operational delivery
- contributing to transformation and sustainability across health and care services, including digital innovation and service modernisation

All with a view to meeting the needs of patients, NHS colleagues, and the wider public.

## Supporting the 10-Year Health Plan

The government published its 10-Year Health Plan outlining how the NHS will be reinvented through three shifts:

- hospital to community
- analogue to digital
- sickness to prevention

In 2025/26, we undertook a review of the 10-Year Health Plan to assess where activity is already underway across the NHSBSA, where there are opportunities for us to add value and what actions, dependencies and strategic questions we need to consider.

We recognise the scale of change needed and that our delivery needs to be at pace to support these shifts.

### Moving care from hospitals to communities

We support capacity in primary and community care through national, user-informed services and strong regional and local engagement.

#### Enhancing efficiency and productivity

Data on medicines and dental treatments supports clinicians to prioritise activity and target interventions.

Digitisation (scanning) services free up vital estate, enabling more treatment and appointments to be made in primary care.

Our role in increasing the adoption of the Electronic Prescription Service (EPS) across pharmacies and dispensing doctors supports efficient administration of NHS services.

We are in the process of extending the Medical Exemption Certificate validity from five years to 10 years for all medical conditions except cancer. This will reduce the number of visits to GP practices.

#### Recruitment and retention support

NHS Jobs and NHS Volunteering services play a key role in supporting primary care and Voluntary, Community and Social Enterprise (VCSE) organisations to fill important roles.

The NHS Pension Scheme provides retirement benefits for general practice and dental staff, as well as for staff in VCSE organisations that deliver NHS contracts.

#### Operational support

Our ‘Manage Your Service’ system supports primary care contractors with their cash flow and claims processes. This ensures they are

reimbursed quickly for the activities they do and reduces the administration burden of paper-based services.

Our Provider Assurance service offers support and guidance to primary care contractors to ensure compliance and to improve process efficiency.

## Analogue to digital

We are driving the shift from outdated, manual processes to modern, secure, and scalable digital services that support efficient, national, at scale health and care delivery.

### Reducing burden for providers

Increased use of EPS and Real Time Exemption Checking (RTEC) supports providers in automated tasks and reduced manual and paper-based activities. We are involved with an NHS England (NHSE) and DHSC project team, exploring the use of digital rather than physical signatures on prescriptions.

The digital maternity exemption service ensures midwives save time by using easy-to-use digital services.

Our plans to digitise other services including medical exemptions, the medical examiner system and death certification will provide further savings to clinical time.

Data and advanced analytics enhance system-wide decision-making.

### Improving customer experience

Our digital approach ensures services are accessible, easy to use and customer-focused, such as:

- Baby Loss Certificate Service
- NHS Prescription Prepayment Certificates (PPCs)
- Hormone Replacement Therapy Prepayment Certificate (HRT PPC)
- NHS Healthy Start

Where possible, we would like to make our services available digitally through Apple Wallet, Google Wallet and the NHS app.

### Supporting the workforce to focus on their jobs

We provide platforms to support NHS employers with their recruitment and retention of staff through NHS Jobs, NHS Volunteering and HRSS. ESR continues to support the accurate and consistent payment of all NHS employees.

### Our plans to add more value

We are progressing policy discussions to transform new and existing services, including digitalisation of the European Health Insurance Card (EHIC)/UK GHIC, and the transformation of our NHS Pensions and NHS Dental services.

## Treatment to prevention

Our services improve access to health care and support children with the best possible start in life. Our role ensures citizens get access to help with health costs, healthy foods and vitamins and providers have more timely insight to support preventative care.

### Improving access to health care

Help with health cost schemes, such as the Low Income Scheme (LIS), PPCs and medical exemption schemes, support citizens (often from vulnerable groups or with medical challenges) to access medicines and other care.

### Supporting the best start in life

- NHS Healthy Start and vitamin schemes provide nutrition for young children and expectant mothers. We have committed to auto-enrolment as part of our strategy for NHS Healthy Start as well as for a wider

range of services. As an interim measure, we will contact those who are eligible but not yet on the scheme by the end of 2026 and make sure that services that support the move to prevention are fully used.
- Fruit and vegetable schemes in schools, and milk schemes in nurseries promote daily healthy habits in early years.
- Maternity exemption certificates ensure access to medicines for new and expectant mothers.

### Driving prevention with insight

- The NHSBSA's medicines, ophthalmic and dental data is used by providers and commissioners to improve their understanding of patient care, supporting action and planning to prevent poor health.
- Insights such as our 'Child Health Insights Report' combines NHSBSA datasets with external data sources to provide a unique understanding of the population.

### Our plans to add more value

We plan to do more with our workforce systems and our data, to make sure we are supporting employees and providers even more. We have been working on our data directions to support this.

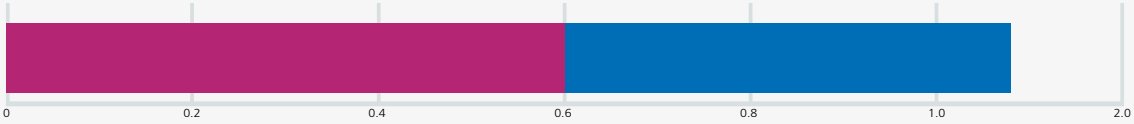
## 1.1.3 Financial overview

**Figure 1:** NHSBSA funding flow from DHSC to frontline NHS services

**The money flowing through the NHSBSA £61.91 billion**

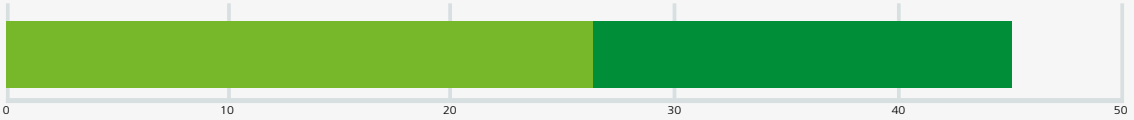
**How the money is accounted for:**

**NHSBSA**
**£1.08 billion**



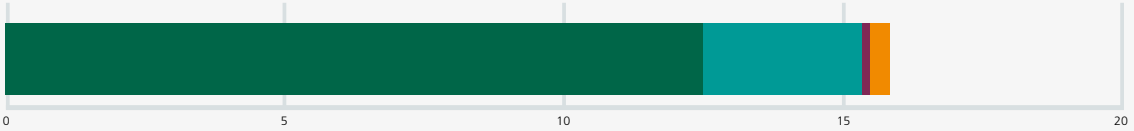

| | |
|---|---|
| Social Work Bursaries and Learning Support Fund | £0.60 billion |
| NHSBSA operating costs | £0.48 billion |

**NHS Pension Scheme**
**£45.01 billion**




| | |
|---|---|
| Contributions in | £26.25 billion |
| Pensions paid out | £18.76 billion |

**DHSC and other NHS bodies**
**£15.82 billion**




| | |
|---|---|
| Prescriptions (Integrated care boards (ICB) and NHS England) | £12.48 billion |
| Dental (NHS England) | £2.84 billion |
| Students (NHS England) | £0.15 billion |
| England Infected Blood Support Scheme and Compensation (DHSC) | £0.35 billion |

Whilst the above reflects the monies that flow directly through our platforms this excludes the funds that are enabled by our ESR system. For the year 2025/26 the net pay bill enabled through this platform was £58.5bn.

## 1.1.4 Our strategy

Our 2024–2029 strategy is our manifesto, guiding all that we do and helping us to chart a course towards excellence.

### Our purpose

Our purpose makes the important link between providing excellent business services to the NHS and helping people live longer, healthier lives.

**We deliver business service excellence to the NHS to help people live longer, healthier lives.**

### Our vision

Our vision is our compelling picture of the future; it shows us what success looks like.

**To be the provider of national, at scale business services for the health and social care system, transforming and delivering these services to maximise efficiency and meet customer expectations.**

To deliver our vision, we will:

- lead the way in delivering business service excellence for the NHS and wider health and social care system
- provide those services and platforms nationally
- work with our stakeholders to understand local needs and how our services can best serve them

### Our values

Our values form our ethical and moral compass, shaping our culture and influencing behaviours at all levels. They reflect the fact that **We CARE.**

#### Collaborative: we work together

This means that we will:

- create efficient and effective relationships with new and existing partners both locally and nationally
- work together to achieve common goals and solve problems
- harness diverse perspectives, skills and experiences to achieve great things

#### Adventurous: we try new things

This means that we will:

- embrace new ideas, seek new opportunities and explore new possibilities
- learn quickly and evolve to meet the demands of the current and future landscape
- look at how we can do things differently to provide business service excellence

#### Reliable: we do what we say we will

This means that we will:

- fulfil our commitments to each other, our customers and our stakeholders
- ensure that we are honest and transparent in all that we do
- maintain strong relationships to provide better outcomes for the wider NHS and the people within our communities

#### Energetic: we give everything our best every day

This means that we will:

- approach our work with enthusiasm and a positive attitude
- be motivated to deliver excellent services to all our customers
- go above and beyond to give our best every day

## Our strategic goals

Our strategic goals play a crucial role in contributing to our organisation's success. They provide clear direction and alignment, serving as the foundation that transforms our aspirations into tangible, achievable outcomes.

The health and social care system is constantly changing and transforming, and our strategic goals provide us with a framework for responding to external challenges, embracing opportunities, and adjusting course as needed.

Our 15 goals are set under four themes:

**Customer –** providing a great experience and meeting needs first time

**Our people –** creating the best place any of us have worked

**Value and efficiency –** creating an efficiency mindset, delivering services that represent best value to the taxpayer

**Environmental, social and governance (ESG) –** minimising environmental impact, maximising social impact and being well governed.

Our 2024-2029 strategy can be found on our website: www.nhsbsa.nhs.uk/sites/default/files/2024-04/Strategy%202024-2029%20%28V1%29%2004.2024.pdf

## 1.1.5 Performance summary

In 2025/26, we continued to deliver strong, reliable services across our diverse portfolio, maintaining a clear focus on quality, efficiency and public value.

Despite significant operational pressures and rising demand, we have demonstrated resilience and a commitment to deliver across the organisation.

We continued to improve and further digitise existing services, while also taking on new ones:

- Adult Social Care Assessed and Supported in Year Employment
- Adult Social Care User Lead Organisations
- Help with Health Costs for Palestinian Families
- North-East and North Cumbria ICB Recruitment Checks

The following section summarises:

- progress made against our five-year strategic goals
- operational performance, including performance against Service Level Agreements (SLAs), customer satisfaction, financial performance and internal workforce data
- principal risks, including how these have changed and been mitigated
- our 2025/26 key achievements

## Performance against our strategic goals

14 of the 15 strategic goals have reported year-end outcomes. Eight have achieved year two targets, six have missed. One is unable to be reported until 2027.

We are putting plans in place across the organisation to help us achieve our goals in year three (2026/27) of our strategy period in those areas where year two (2025/26) targets were missed.

More information on performance against our strategic goals is included in the Performance Analysis section.

**Table 1: NHSBSA goals and targets**

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) performance |
|---|---|---|---|
| Customer | Our customers have excellent experiences when using our services | 75% of our services achieve a score of high or very high in the customer satisfaction survey | Partially achieved |
| | Our customer satisfaction score for the Future NHS Workforce Solution will be higher than ESR | A customer satisfaction score of high or very high | N/A (Reporting to start following platform launch) |
| | We will significantly improve customer satisfaction of the Pensions Service | Pensions employers and members' customer satisfaction scores will be high or very high | Missed |
| Our people | We will achieve world class levels of workplace engagement | We will achieve 3-star accreditation in Best Companies Index | Missed |
| | We are a truly inclusive employer where all colleagues feel they belong | We have a diverse workforce, at all levels, that is representative of the communities we serve | Achieved |
| | We are an employer of choice with appropriate, transparent and wide-ranging opportunities to attract, develop and retain the right people, with the right skills in the right roles | Each directorate will deliver against an embedded and effective workforce plan | Achieved |
| Value and efficiency | We will operate within our funding allocation from the DHSC, meeting any identified efficiencies | We will operate within our financial allocations | Achieved |
| | We will identify and deliver wider system efficiencies, freeing up resources for front-line services | We will deliver £1 billion in wider system efficiencies by 2029 | Missed |
| | We will meet the government productivity target | We will deliver against the government target as a minimum | Achieved |

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) performance |
|---|---|---|---|
| ESG | We will be environmentally sustainable | We will be on target to achieve net zero by 2030 | Missed |
| | We will make it easier for our customers by implementing proactive entitlement (digital first) of our help with health costs services, ultimately helping people to live longer, healthier lives | All customers will gain automatic entitlement across maternity exemptions, medical exemptions, NHS Healthy Start and the LIS by March 2029* | Achieved |
| | We will make a long-term difference to the people and places we work in and with | We will donate 50,000 hours of volunteering to charitable and community organisations | Missed |
| | We are an organisation where talent from all socio-economic backgrounds is nurtured, harnessed and rewarded | We will achieve accreditation in the top 75 within the Social Mobility Index | Achieved |
| | We will actively use our service data and insights to have a positive impact on health outcomes | We will produce an impact report to be included in the organisational annual report | Achieved |
| | We will be fully compliant with government functional standards | We will be fully compliant with the 11 government functional standards that apply to NHSBSA. | Achieved |

* Work on automatic entitlement paused due to NHSE priorities; however, work is ongoing to explore feasible plans for 2026/27. Annual targets were developed to reflect this position.

## Operational performance

A high-level overview of 2025/26 operational performance is shown in Table 2. More information on operational performance by service area is provided in section 1.2 Performance Analysis.

**Table 2: NHSBSA service summary**

| Directorate | Sponsor SLAs 2025/26 | | CSAT – March | People – March | Key insights |
|---|---|---|---|---|---|
| Citizen Services |  94% 6% | **Missed SLAs:** DECS: PCN Letters Cleared PECS: PCN Letters Cleared EIBBS: Appeals Processed | **Very High:** MATEX (96%), MEDEX (91%), Healthy Start (91%), PPC (94%), HRT PPC (96%) **High:** EHIC & GHIC (85%), IHS (83%) **Average:** LIS (76%) | Headcount = 1,353 Headcount change since July 2024 = +1.3% Absence Rate = 6.6% Engagement score = 698.7 (2*) | CSATs have broadly been maintained with improvement seen within LIS and a decline to scores seen within EHIC & GHIC. Sponsor SLAs were missed in PECs and DECs due to 100% targets, and in EIBSS due to appeals delays. |
| ESR |  100% | **Missed SLAs:** N/A | **Fair:** ESR (56%) | Headcount = 98 Headcount change since July 2024 = +21.0% Absence Rate = 1.1% Engagement score = 775.0 (3*) | All SLAs continue to be met with CSAT score stable throughout the year. |
| Pensions |  47% 53% | **Missed SLAs:** Accuracy of Information Supplied, First Award Paid, Estimates, Pensions on Divorce, Refunds, Sub Awards, Survivor Benefits, Employer ASA, Member ASA | **High:** Pensioners Annual Survey 2025 (83%) **Fair:** Pension Employers (66%) **Low:** Pension Members (45%) | Headcount = 1,177 Headcount change since July 2024 = +60.6% Absence Rate = 4.7% Engagement score = 674.5 (1*) | CSAT for both members and employers has declined across the year. Sponsor SLA targets have also been missed throughout the year. |
| Primary Care |  100% | **Missed SLAs:** N/A | **High:** Prescription Services (82%) **Fair:** Dental Services (61%) | Headcount = 1,216 Headcount change since July 2024 = +12.6% Absence Rate = 3.5% Engagement score = 694.8 (1*) | All SLAs continue to be regularly met. CSAT remains stable. Operational forecasts indicate strong performance going forward. |
| Workforce Services |  88% 13% | **Missed SLAs:** HRSS: Transactional Forms, Job Evaluations, Service Issues Responded, Vacancies Advertised, NHS Volunteering: ICBS Approached, V4Hs Approached | **Very High:** Social Work Bursaries (91%), Learning Support Fund (94%) **Average:** NHS Bursary (75%) **Fair:** NHS Jobs Employers (69%), Applicants (59%), HRSS (59%) | Headcount = 384 Headcount change since July 2024 = +9.4% Absence Rate = 3.4% Engagement score = 734.9 (2*) | CSAT scores have been broadly stable throughout the year. Recent months has seen fluctuations within HRSS, driven by the recruitment pause. The majority of missed Sponsor SLA targets have been within HRSS. |

The term SLA refers to the service-level agreements currently in place with our sponsor.

Customer satisfaction is abbreviated to CSAT with percentages reflecting the percentage of customers that agreed their satisfaction with the outlined services was very high, high, fair, average or low.

## 1.1.6 Overview of risk

A fundamental priority for us is robust risk management, which allows informed risk-taking within an environment that demands a measured and proportionate approach. Although significant internal and external changes have presented both risks and opportunities, we have stayed proactive and vigilant, continuously reviewing how effective our mitigation measures are. We have navigated change through well-informed, risk-aware decision making and sustained our delivery momentum.

During 2025/26, the number of corporate risks increased from 10 to 14, reflecting a broadened risk landscape and greater visibility of potential threats across the organisation.

Major (red) rated risks increased from zero to four. NHS Pension Scheme service delivery remained red throughout the year. However, the focus of the initial risk shifted from the impact of McCloud issues to McCloud recovery plan delivery. The risk rating for NHS system changes increased over the year, and two new major rated risks were added to the Corporate Risk Register, covering prioritisation and ESR continuity and transition.

The Chief Officer Group (COG) owns corporate risks. This is overseen by the Governance, Risk and Assurance (GRA) Enterprise board through monthly reporting and reviewed and approved frequently by the Audit and Risk Management Committee (ARC). Our corporate risks are set out in Table 3.

**Table 3: NHSBSA corporate risk rating**

| Red = Major | Amber = High | Yellow = Moderate | Green = Low |
|---|---|---|---|

| Corporate Risks | Q4 2024/25 | Q4 2025/26 |
|---|---|---|
| **NHS Pension Scheme service delivery**<br>If we fail to address, at pace, the ongoing challenges facing NHS Pensions, the service may become overwhelmed, impacting our ability to deliver change and improvement, comply with regulation and legislation, and maintain business-as-usual (BAU) responsibilities. This will detrimentally impact our customers, colleagues and stakeholders, and result in us failing to deliver on key goals and objectives as part of our strategy. | Major | Major |
| **Information security**<br>The actions of a member of staff, contractor, supplier or other party could lead to a major breach of information governance and security. | High | High |
| **Government productivity target**<br>Not accurately measuring the measures associated with the government productivity target, due to the quality and availability of data, could impact delivery of the strategy and wider efficiencies. | Moderate | Moderate |
| **Funding**<br>Insufficient funding provided to the NHSBSA from DHSC and other commissioning bodies could lead to a breach of financial resource limits, reduced quality of service and inability to deliver change. | High | High |

| Corporate Risks | Q4 2024/25 | Q4 2025/26 |
|---|---|---|
| **3* Best Companies accreditation**<br>Increasing pressures and significant changes in the services and wider health system could result in an impact to colleague engagement and non-delivery of a key strategic area. | High | Moderate |
| **Diverse workforce**<br>Failure to have a diverse workforce representative of the communities the NHSBSA serves may result in services not meeting the needs of all service users and reputational damage. | Moderate | Moderate |
| **Priorities of sponsors/commissioners**<br>Changing priorities of sponsors and commissioners may not align with the NHSBSA's strategy, resulting in possible impacts to delivery of the strategic goals, services and planned projects. | Moderate | High |
| **Future NHS Workforce Solution adoption**<br>User organisations may not have the appetite and/or capacity to fully adopt the solution, resulting in a failure to deliver the programme benefits and impacts to colleagues across the NHS. | High | High |
| **Significant fraud**<br>Significant instances of fraud not prevented or detected may lead to significant loss of public funds and reputational damage to the NHSBSA. | Moderate | High |
| **Achievement of net zero target by 2030**<br>Failure to deliver the net zero target by 2030 could result in reputational damage, non-delivery of a key strategic goal and external environmental targets. | Moderate | Moderate |
| **NHS system changes***<br>Changes in the broader health system and abolishment of NHSE could impact the delivery of existing NHSBSA services or require the NHSBSA to provide support for new services at short notice. | | Major |
| **Dental contract reforms***<br>Finite subject matter expert resource within NHS Dental Services, and the requirement to deliver Dental Contract Reforms (DCR) for both England and Wales, alongside the Transforming Dental Services (TDS) programme, may mean the changes are not fully achievable within the required deadlines. | | High |
| **Prioritisation (resource capacity and capability) ***<br>The resource capacity and subject matter expert capability requirements needed to overcome, at pace, the current challenges within the Pensions Service, alongside other organisational priorities, including DCR and the imminent closure of NHSE, is placing strain upon both BAU activity and the delivery of other service priorities. | | Major |

| Corporate Risks | Q4 2024/25 | Q4 2025/26 |
|---|---|---|
| **ESR continuity and transition*** The ability to deliver the Joint Transition Plan (JTP) successfully and to timetable – or any contingency option to the JTP – is based on the effective performance of third-party suppliers. Any failure to deliver may undermine both ESR service continuity and the subsequent transition to the Future NHS Workforce Solution. | | Major |

*Added during 2025/26

Further information on these risks, including the current position and risk mitigations, are detailed within the Performance Analysis section. Our Risk Management Framework (RMF) is set out in the Accountability Report.

## 1.1.7 2025/26 key achievements

### April 2025

- Adult Social Care Assessed and Supported in Year Employment went live
- Adult Social Care User Lead Organisations went live
- North-East and North Cumbria ICB Recruitment Checks went live
- Issued over 100,000 Baby Loss certificates – a new milestone

### May 2025

- Ranked 18th in the Top 50 Inspiring Workplaces (UK and Ireland)

### June 2025

- 574,000 maternity exemption certificates issued – highest since 2018/19
- Ranked 20th in the GREAT British Employers of Veterans list
- Maintained Carer Confident Level 2 accreditation

### July 2025

- Processed a record 102 million electronic prescriptions in one month
- Published the Data and Social Impact Report showcasing national social impact achievements (more than 110,000 NHS Healthy Start households, and more than 6,000 volunteering hours)

### August 2025

- Recertified to ISO 14001:2015 Environmental Management System
- Named a top government and non-profit organisation in Inspiring Workplaces Awards

### September 2025

- Ranked 73rd in the Global Top 100 Inspiring Workplaces list
- Help with Health Costs for Palestinian Families went live
- Launched our 2025-30 Environment Strategy
- NHS Volunteering launched publicly
- Online S1 applications went live (for state pensioners)
- Awarded Gold Talent Inclusion and Diversity Evaluation (TIDE) by Employers Network for Equality and Inclusion (enei)

### October 2025

- Awarded the Future NHS Workforce Solution £1.2 billion contract to Infosys
- Signed the Pregnancy Loss Pledge
- Ranked 30th in the Social Mobility Employer Index (achieving the 2029 organisational goal early)

### November 2025

- Launched the new Diversity, Inclusion and Social Mobility Strategy
- Maintained Menopause Friendly Employer accreditation
- Launched the new Employee Assistance Programme app for colleagues
- Saved £1 million through the Contact Centre Transformation
- Raised £20,984.43 for the Royal British Legion (colleague fundraising)
- Completed the Halo IT Service Desk migration
- Ranked 3rd best not-for-profit and the Best Big Company in Best Companies rankings

### December 2025

- Government Commercial Function GCF Awards 2025 – Best Large Procurement Project for the Future NHS Workforce Solution procurement
- Customer Operations team maintained CCA Global Standard accreditation

### January 2026

- Launched the Safety, Safeguarding and Wellbeing Strategy
- Customer Contact Centre – Workforce Management team achieved Best in Class accreditation from The Forum (Professional Planning Forum)

### February 2026

- Opened Bickerstaffe House for North-West colleagues
- Maintained Better Health at Work Ambassador status
- Maintained Two-Star Best Companies accreditation

### March 2026

- Retained Disability Confident Leader status for another three years (highest level)
- Reduced greenhouse gas emissions by 72% in 2025/26
- Delivered £276.1 million in wider system efficiencies
- Achieved £10.8 million productivity and efficiency savings across the organisation
- Successfully implemented DCR in line with government aims for April 2026
- Successfully implemented the payment uplift for NHS Healthy Start ready for April 2026
- EIBSS processed over 1,000 estate claims since the Estates Payment Scheme went live in November 2024

## 1.1.8 Going concern

We have been in operation since April 2006. Based on normal business planning and as an Arm's Length Body (ALB) with the continued financial support of DHSC and our other commissioners across the wider healthcare system, our leadership team has a reasonable expectation that we will continue to operationally exist for the foreseeable future.

To support this through the Spending Review, we have confirmed allocations for the next three years. For this reason, we have adopted the going concern basis for preparing the financial statements.

## 1.2 Performance analysis

To ensure we deliver business service excellence, our performance is measured and monitored using a range of performance metrics. These metrics are reviewed on an annual basis to make sure we are measuring the things that matter. The following section provides an overview of the metrics we review to monitor business performance.

Our strategic goals support us to improve the service excellence we deliver day to day and to make sure we stay focused on delivering our long-term vision. We have set ourselves bold and ambitious measures to deliver our goals by the end of our five-year strategy period. The 2025/26 reporting period marks the second year of delivery against our five-year strategy.

We also have a suite of SLAs that we and our sponsors use to monitor performance across our operational areas.

Each month, we produce a business performance report, reviewed by the leadership team, showing performance against our strategic goals and our SLAs, and providing additional related business insights.

The leadership team also receive a weekly operational performance status report, providing a high-level view of performance and an opportunity for services to flag any risks and issues.

In addition, a monthly performance board completes an organisation-wide in-depth look into our performance, reviewing:

- strategic goals and overarching measures
- operational key performance indicators (KPIs)
- sponsor KPIs that are agreed with our sponsor and clients
- customer satisfaction
- complaints
- benefits and efficiencies
- financial management
- people insights
- environment and resource efficiency

### 1.2.1 Performance against our strategic goals

We have set ourselves ambitious targets to demonstrate that we have successfully met our strategic goals by the end of the five-year strategy period. Each year, we develop annual targets so we can assess whether we are on track to reach these five-year goals.

The following section provides a detailed overview of our 15 strategic goals, which includes progress made against year two and year five targets and planned actions to further improve performance.

# Customer

## Providing a great experience and meeting needs first time

Meeting customer needs is first and foremost, but we also want our customers to be satisfied with the services we provide and exceed their expectations. Customers will have a positive experience, and we will provide them with the information they need to make informed decisions. We will make sure they are aware of what is available to them and what they are entitled to. Actively seeking feedback and listening to customers allows us to understand and address concerns, make adjustments to improve our service offering, and ensure we deliver value.

**Table 4: Customer goals, targets and actions**

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) target | 2025/26 (year 2) performance | 2024/25 (year 1) target | 2024/25 (year 1) performance | Actions |
|---|---|---|---|---|---|---|---|
| Customer | Our customers have excellent experiences when using our services | 75% of our services achieve a score of high or very high in the customer satisfaction survey | HRSS to 60% | 59% | 45% | 55% | We are developing a plan which will focus on customer experience within the ten services currently scoring under 80% |
| | | | LIS to 70% | 76% | | | |
| | | | Data Services to 80% | 75% | | | |
| | Our customer satisfaction score for the Future NHS Workforce Solution will be higher than ESR | A customer satisfaction score of high or very high | Not applicable – first Future NHS Workforce Solution CSAT scores are expected in Summer 2027 | | | | The Future NHS Workforce Solution is currently being developed. This will deliver a transformed solution succeeding ESR. Early adopters will move from ESR to the Future NHS Workforce Solution by late 2027/28 |
| | We will significantly improve customer satisfaction of the NHS Pensions Service | Pensions employers and members' customer satisfaction scores will be high or very high | Members 53% (12-month mean) | 48% (12-month mean) | 65% | 54% | Within NHS Pensions we are expanding training capacity, prioritising resource deployment and balancing programme commitments with recovery to ensure service delivery remains reliable and sustainable. |
| | | | Employers 73% (12-month mean) | 67% (12-month mean) | 75% | 75% | |

# Our people

## Creating the best place any of us have worked

Our people are crucial to our overall success and collectively contribute to building a positive culture. We foster an inclusive work environment that promotes engagement and wellbeing as part of our People Promise. We want our colleagues to be satisfied and fulfilled in their roles as well as having opportunities for development and progression in their careers, as part of our employee value proposition. Quite simply, we want the NHSBSA to be the best place any of us have worked, where everyone matters and colleagues can contribute, influence and flourish.

**Table 5: People goal, targets and actions**

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) target | 2025/26 (year 2) performance | 2024/25 (year 1) target | 2024/25 (year 1) performance | Actions |
|---|---|---|---|---|---|---|---|
| People | We will achieve world class levels of workplace engagement | We will achieve 3-star accreditation in Best Companies Index | Improved score from 709.2 | 707.2 | Maintain two-star accreditation | Maintained two-star accreditation | We will develop improvement plans from the insight gathered in the Best Companies survey and will deliver an organisation wide plan to maintain high levels of colleague engagement during 2026/27 |
| | We are a truly inclusive employer where all colleagues feel they belong | We have a diverse workforce, at all levels, that is representative of the communities we serve | Monitoring against national comparators | Ethnicity: 22% vs.14%<br>Gender: 62% vs 51%<br>Sexual Orientation: 7% vs 3%<br>Disability: 12% vs.18% | Monitoring against national comparators | Underrepresentation among colleagues who have declared they have a disability and in leadership level roles (Agenda for Change (AfC) 8c and above) for colleagues from ethnic minority backgrounds and who are women | We will deliver the Diversity, Inclusion and Social Mobility Strategy |
| | We are an employer of choice with appropriate, transparent and wide-ranging opportunities to attract, develop and retain the right people, with the right skills in the right roles | Each directorate will deliver against an embedded and effective workforce plan | Basic plans for all directorates by October 2025 | All directorates have a basic plan | Deliver plans by October 2025 | Not applicable | We will work closely with delivery teams to translate strategic workforce planning and optimisation into operational impact, including through business partnering, embedding strategic workforce planning across the organisation |

# Value and efficiency

## Creating an efficiency mindset, delivering services that represent best value to the taxpayer

We strive to provide taxpayer value by ensuring that we deliver high-quality services and products in a cost-effective way. We aim to identify opportunities to eliminate inefficiency through streamlining process, investing in technology to enhance productivity and automation, optimising resource allocation, and negotiating supplier contracts. In addition, we will work hard to mitigate loss and fraud, as well as addressing it when it is identified. Through this culture of continuous improvement, we can drive value and improve system usability as well as the overall customer experience.

**Table 6: Value and efficiency goal, targets and actions**

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) target | 2025/26 (year 2) performance | 2024/25 (year 1) target | 2024/25 (year 1) performance | Actions |
|---|---|---|---|---|---|---|---|
| Value and efficiency | We will operate within our funding allocation from the DHSC, meeting any identified efficiencies | We will operate within our financial allocations | We will operate within our financial allocations for 2025/26 | We successfully operated within our funding envelope for both revenue and capital | Operate within allocation | We successfully operated within our funding envelope for both revenue and capital | Embedding an efficiency mindset and delivering best value to taxpayers in everything we do. We will lead on this goal by carefully managing finances and budgets whilst driving savings that can be reinvested. We are a key delivery partner for the Value, Efficiency and Productivity programme and have a comprehensive financial transformation programme to improve costing, benchmarking and forecasting, helping us to achieve maximum value. |
| | We will identify and deliver wider system efficiencies, freeing up resources for front-line services | We will deliver £1 billion in wider system efficiencies by 2029* | £279 million | £276.1 million | £326 million | £326 million | We will continue to ensure wider system efficiencies are identified at the earliest possible opportunity |
| | We will meet the government productivity target | We will deliver against the government target as a minimum | £7 million | £10.8 million | Minimum of 0.5% efficiencies | 0.56% (£2 million) | We will deliver this agenda through costing, benchmarking and forecasting improvements |

*After a review of benefits related to the under delivery of dental treatment, £1.33 billion rather than £1.7 billion is forecast at the end of the strategic period. This remains higher than the £1 billion target. Following this review, annual targets have been amended to reflect this updated position, resulting in the consistency of the year one target and performance.

# Environmental, Social and Governance (ESG)

## As a public sector organisation delivering on behalf of the taxpayer, we are committed to our social responsibilities and contributing to a more sustainable future

It is important that we understand our impact on the environment and how we might reduce this through sustainable procurement, continued education and working to reduce emissions and waste. Reducing our environmental footprint and addressing climate change is critical to us.

We also recognise the important role we play in society and the positive impact we can have. Using our skills, expertise and time, we contribute to the wellbeing of the community through education, raising awareness of services, volunteering and supporting social mobility through our employment opportunities. We want to make a meaningful difference to the communities we work in and build stronger relationships.

Through good governance, we establish accountability, transparency and ethical behaviour, ensuring leadership with the right internal controls.

**Table 7: Environmental, Social and Governance goal, targets and actions**

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) target | 2025/26 (year 2) performance | 2024/25 (year 1) target | 2024/25 (year 1) performance | Actions |
|---|---|---|---|---|---|---|---|
| ESG | We will be environmentally sustainable | We will be on target to achieve net zero by 2030 | 73% reduction | 72% | 69% reduction | 66% | We will deliver our environment and sustainability strategy. This will include implementing the new Greening Government Commitments alongside other commitments |
| | We will make it easier for our customers by implementing proactive entitlement (digital first) of our help with health costs services, ultimately helping people to live longer, healthier lives | 100% of customers will gain automatic entitlement across maternity exemptions, medical exemptions, NHS Healthy Start and the LIS by March 2029 | Agreed an approach for maternity and medical exemptions with policy teams. Explore options to simplify LIS | Work to extend medical exemptions from five years to 10 years is nearing completion | Identify and notify customers who are entitled to PPCs | 51,000 patients contacted | Work on automatic entitlement has been paused due to NHSE priorities. However, work is underway to explore feasible plans for 2026/27 |

| | Goal | 2028/29 (5-year) target | 2025/26 (year 2) target | 2025/26 (year 2) performance | 2024/25 (year 1) target | 2024/25 (year 1) performance | Actions |
|---|---|---|---|---|---|---|---|
| ESG | We are an organisation where talent from all socio-economic backgrounds is nurtured, harnessed and rewarded | We will achieve accreditation in the top 75 within the Social Mobility Index | Improve current ranking of 134 | Ranked 30th | Prepare to enter index in year two | Entered the index for the first time, ahead of schedule, ranking 134th | We will deliver the Diversity, Inclusion and Social Mobility Strategy to maintain accreditation within the top 75 |
| | We will actively use our service data and insights to have a positive impact on health outcomes | We will produce an impact report to be included in the organisational annual report | Produce an impact report in the Annual Report and Accounts for 2025/26 | Report progressing as planned | Produce impact report | Timelines for publication agreed as 30 June 2025 | An in-year decision was made that this impact report would be published later in the year, rather than in the annual report and accounts. This will be published as expected by November 2026 |
| | We will be fully compliant with government functional standards | We will be fully compliant with the 11 government functional standards that apply to NHSBSA | Continue to deliver the detailed action plans created to drive ongoing compliance | Eight fully compliant and three partially compliant | 90% | The organisation is fully implementing most mandatory elements and continues to review and use the standards to drive continuous improvement | Plans are in place to resubmit, and the next review is expected in August 2026 |
| | We will make a long-term difference to the people and places we work in and with | We will donate 50,000 hours of volunteering to charitable and community organisations | 7,000 hours (13,460 total hours) | 12,597 total hours | 3,018 hours | 6,342 hours | We will roll out social impact plans across all service areas which will detail volunteering hours with associated action plans, following a successful pilot |

## 1.2.2 Operational performance

In 2025/26, we continued to deliver strong, reliable services across our diverse portfolio, maintaining a clear focus on quality, efficiency and public value.

Despite a year characterised by significant operational pressures and rising demand, we demonstrated resilience and a commitment to deliver. Of the 140 sponsor SLAs reported on, 122 passed in 2025/26, signifying 87.1% annual compliance.

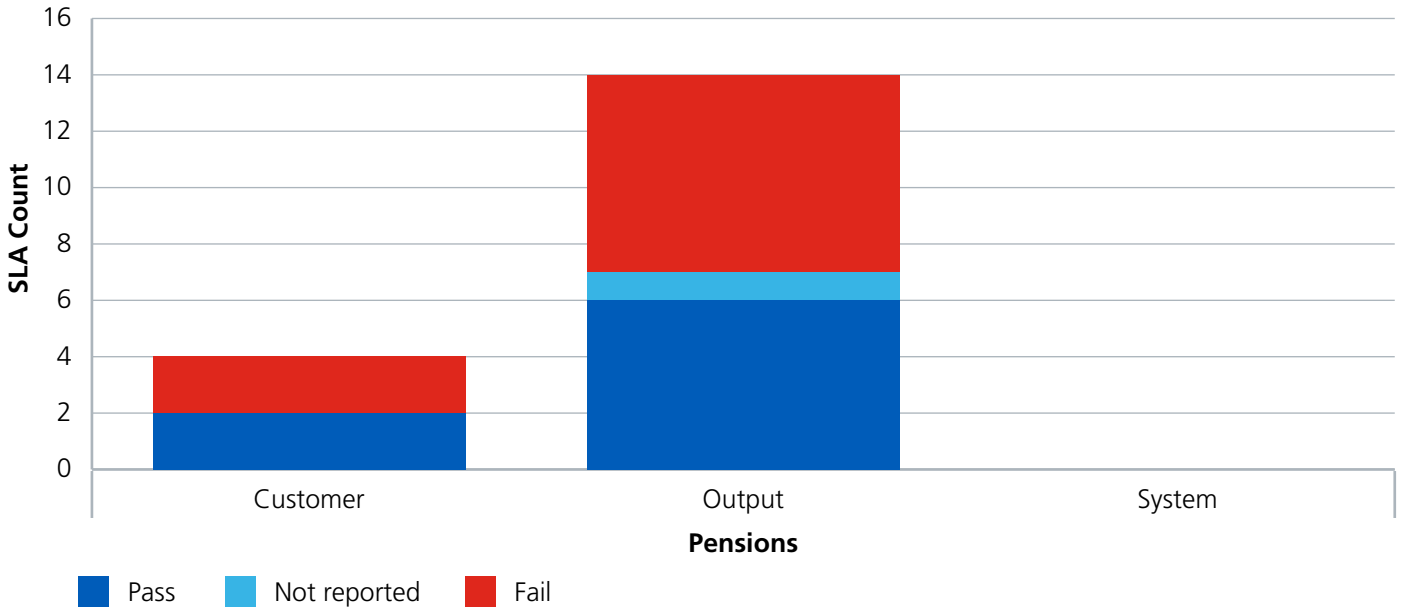
One of the most notable challenges was within NHS Pensions Service, where increased scheme complexity, sustained growth in member interactions, and the impact of regulatory and policy changes created considerable operational strain and reduced service levels. The service has worked hard throughout 2025/26 on stabilisation of the service, with significant improvements in the First Awards service stream.

As we enter 2026/27 with continued determination and resilience, our focus will be on the recovery of the remaining NHS Pensions service streams and implementing the required changes.

### Operational performance by service area

#### NHS Pensions

**Figure 2:** NHS Pensions Service SLA performance chart 2025/26




SLAs are not reported where there were no occurrences enabling measurement of this SLA in 2025/26.

Performance across NHS Pensions' BAU services has been mixed due to the complexity of the operating environment and the significant demand pressures faced over the past year. Towards year-end, some workstreams have stabilised or are performing well, however others continue to need targeted recovery action.

In 2025/26, overall SLA compliance was challenging with a 47% compliance rate. These pressures have been mainly driven by insufficient resourcing and competing operational priorities. Tactical staff redeployment across multiple workstreams provided short-term mitigation but did not address the significant backlogs that had accumulated over time.

A concentrated recovery effort on First Awards, supported by revised work allocation strategies, proved effective. By focusing on preventing new cases from breaching SLA, clearing the oldest cases, and prioritising customers in financial difficulty, the service successfully cleared backlogs in November and December 2025 enabling SLA performance to be restored.

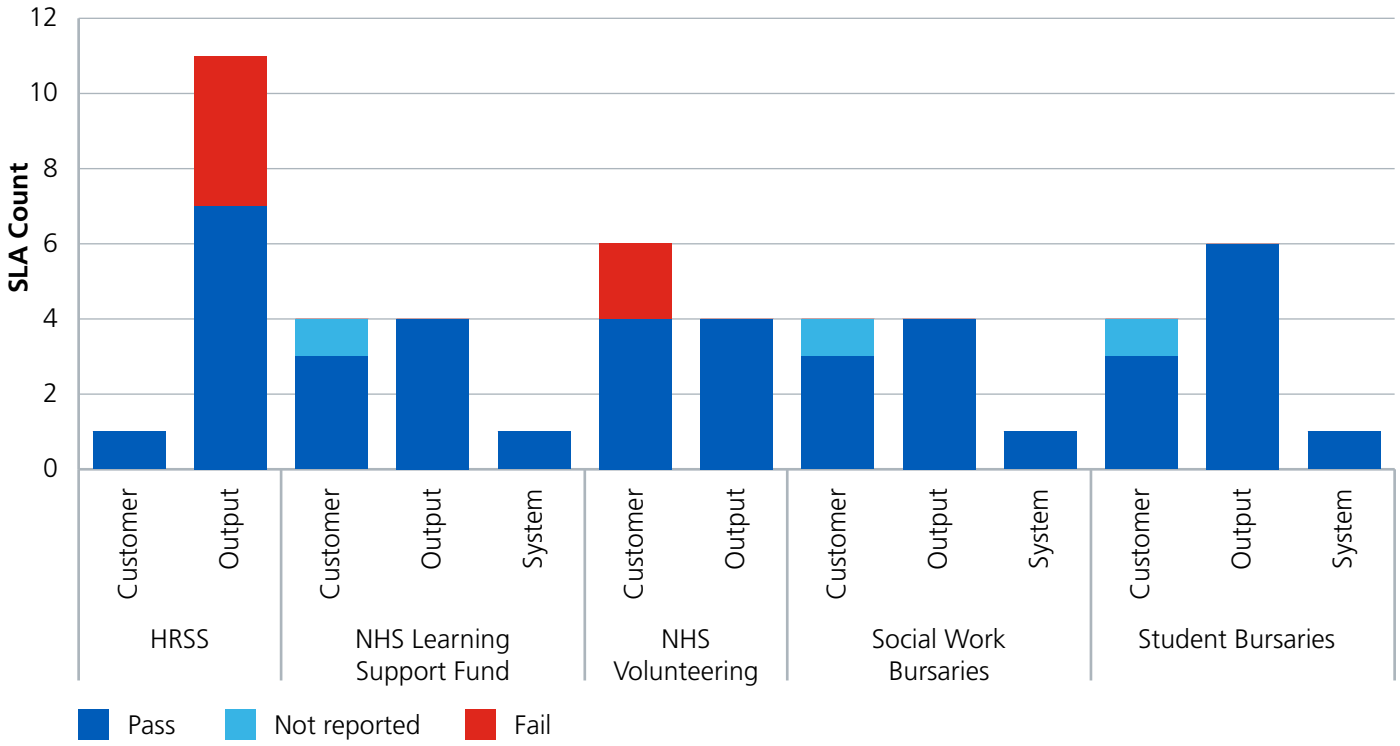
Work is now expanding into additional workstreams, assessing both existing caseloads and future expected demand, recognising that trade-offs between performance and emerging priorities will continue to be needed.

Looking ahead, service performance will continue to be influenced by rising demand, including bulk estimates following the dissolution of NHSE and increased First Awards volumes linked to voluntary redundancy activity. Key programme commitments, such as McCloud, the DWP dashboard, and expanding training capability, will place further pressure on limited specialist resources. Scaling training capacity, particularly for manual calculations, remains the most significant constraint.

In the year ahead, the primary focus for NHS Pensions will be on stabilising BAU performance, recovering underperforming workstreams, managing increased demand pressures, and strengthening operational resilience. Expanding training capacity, prioritising resource deployment, and balancing programme commitments with BAU recovery will be essential to ensuring service delivery remains both reliable and sustainable for members and employers.

## NHS Workforce Services

**Figure 3:** NHS Workforce Services SLA performance chart 2025/26




SLAs are not reported where there were no occurrences enabling measurement of this SLA in 2025/26.

Across Workforce Services, our performance has remained consistently strong over the past 12 months, demonstrating resilience and reliability across a diverse operational portfolio, with only a small number of targets – typically one to three per month – not being met.

The 2025/26 annual SLA compliance was 88%. Where there were shortfalls, they were mainly concentrated within HRSS and primarily due to processing speed, rather than accuracy, indicating that quality standards remain robust.

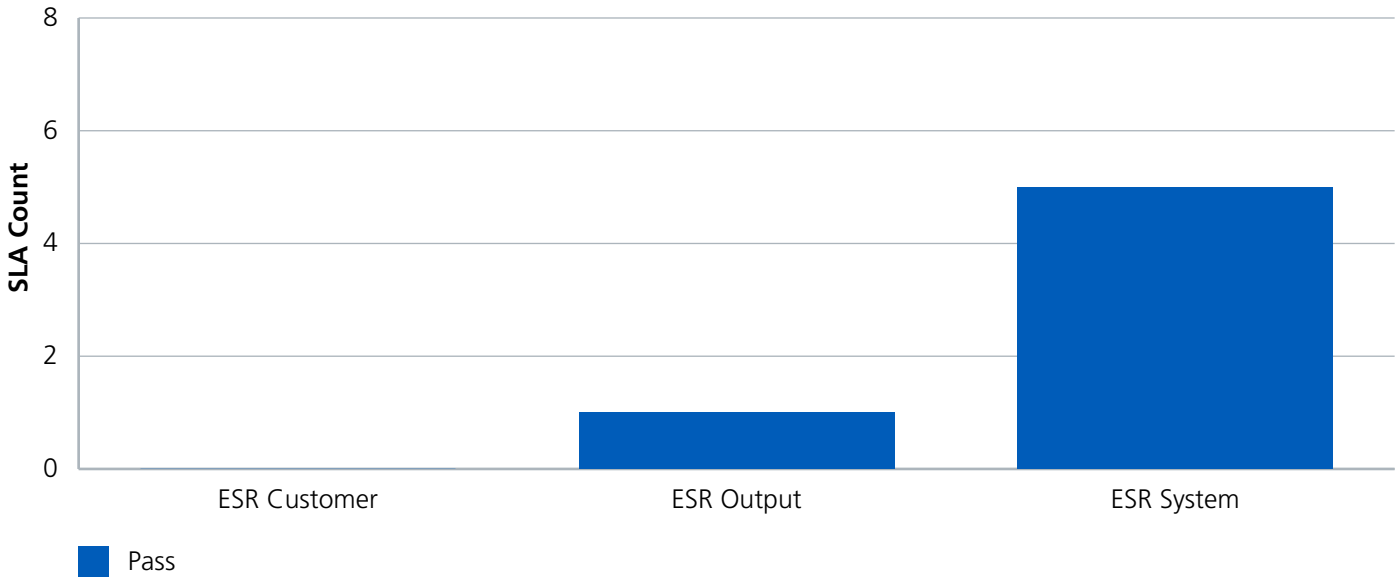
Within NHS Volunteering, the SLAs that were not met included all ICBs approached and offered the opportunity to onboard (with 32 of 42 approached) and all Volunteering for Health partners offered the opportunity to onboard (with 12 of 15 approached).

Overall, Workforce Services continue to deliver a high level of performance, with consistent SLA achievement, swift recovery when challenges arise, and sustained service quality. This reflects a stable and well-managed operation with a strong focus on continuous improvement.

Focus for the year ahead is to continue to maintain BAU service levels delivering a high level of customer experience.

## ESR/Future NHS Workforce Solution

**Figure 4:** ESR/Future NHS Workforce Solution SLA performance chart 2025/26



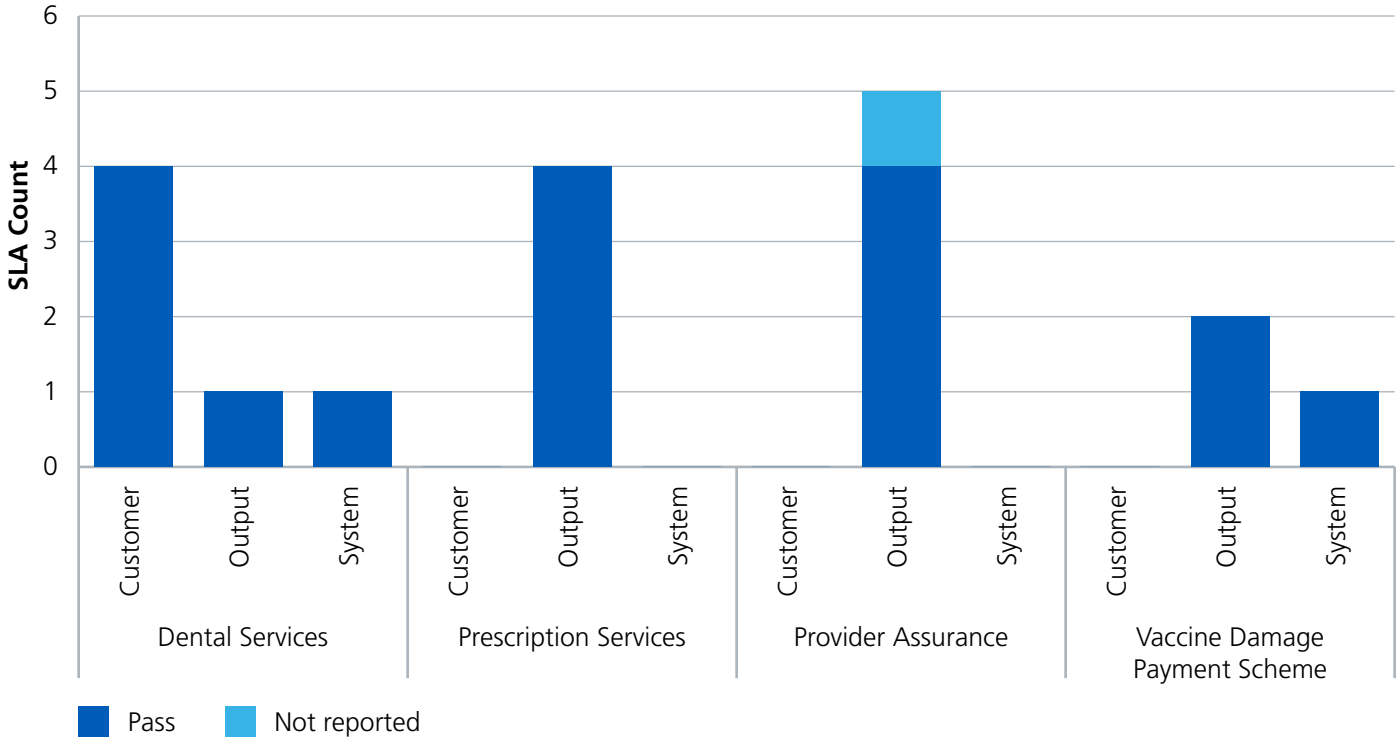

ESR service delivery has remained consistently strong throughout 2025/26, with all contractual performance indicators being achieved and system availability maintained at or above target levels. This reliable performance has ensured continued support for effective recruitment, retention and workforce planning across NHS organisations in England and Wales, while allowing accurate and timely payroll processing for more than two million NHS employees.

In the year ahead, we will continue to provide stable and accessible ESR functionality, sustaining high standards of performance expected by users. As well as the day-to-day delivery, we will prepare for the transition to the Future NHS Workforce Solution, with initial early adopter rollouts planned for late 2027/28.

This period will include detailed planning and coordination to make sure a seamless continuity of service, while progressing the activities needed for a successful transition to the new national workforce platform.

## Primary Care Services

**Figure 5:** Primary Care Services SLA performance chart 2025/26



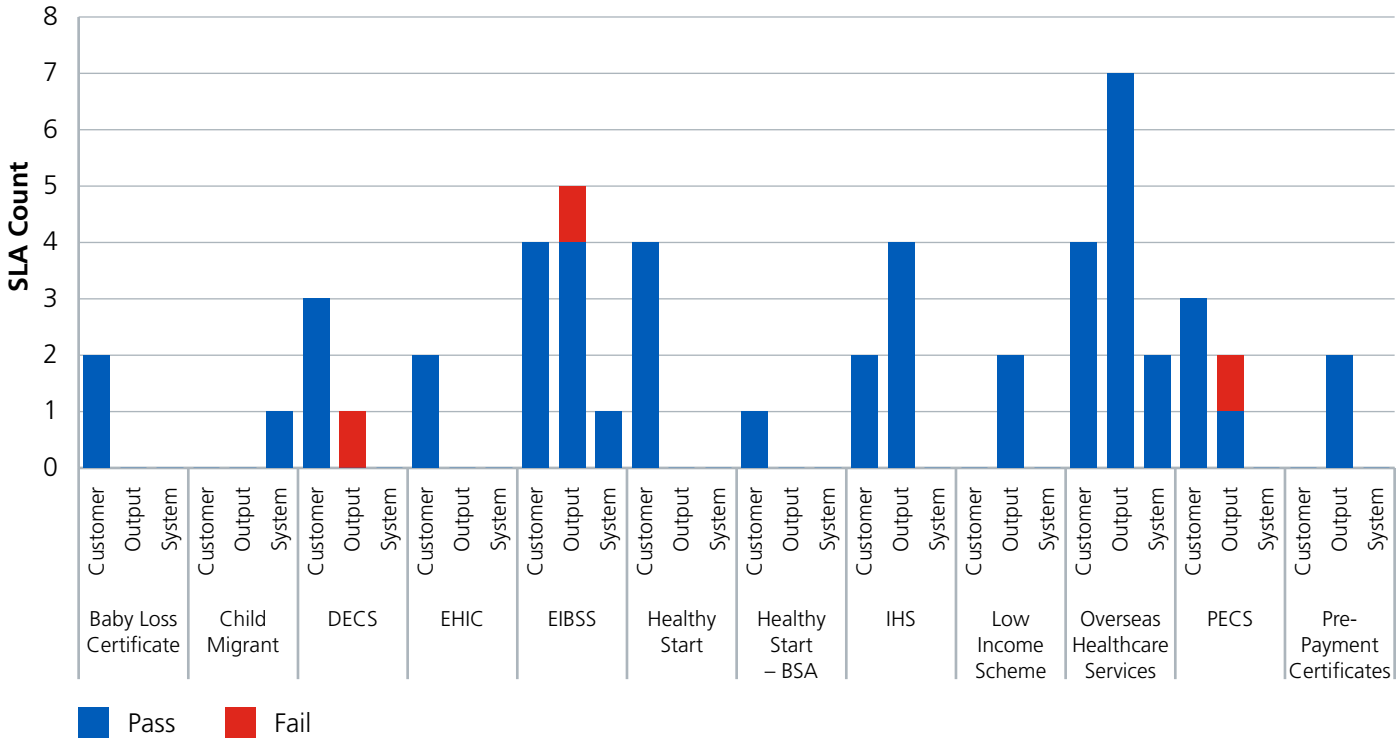

SLAs are not reported where there were no occurrences enabling measurement of this SLA in 2025/26.

Primary Care Services delivered a consistently strong performance in 2025/26, with all reported SLAs achieved each month. Assurance Services met all KPIs and continued to provide confidence that NHSE and NHSBSA responsibilities were being fulfilled. NHS Prescription Services also met all SLAs and maintained high customer satisfaction at 82% or above. The VDPS continued to meet DHSC expectations during 2026/27.

Looking ahead to 2026/27, Primary Care Services will be focusing on maintaining their service provision to ensure excellent customer experiences.

## Citizen Services

**Figure 6:** Citizen Services SLA performance chart 2025/26




Citizen Services delivered a strong performance throughout 2025/26, achieving annual SLA compliance of 94%. Service levels were not met in Dental Exemption Checking Services (DECS), Prescription Exemption Checking Services (PECS) and EIBSS because of demand that was higher than forecasted.

Despite these pressures, teams continued to respond effectively, maintaining service continuity and making sure that customers received the support they needed.

Looking ahead to 2026/27, Citizen Services will stay focused on the consistent and reliable delivery of all services, meeting the service levels agreed with commissioners.

The year will bring challenges, including headcount pressures, and the service will prioritise opportunities to streamline processes, enhance productivity, and increase the use of automation as appropriate. This approach will help strengthen resilience and improve operational efficiency so that we can continue to deliver a high-quality experience for customers in a sustainable and future-focused way.

## Digital, Data and Technology

The Digital, Data and Technology (DDaT) directorate delivered a strong performance over 2025/26:

- maintained 99.92% service availability
- successfully managed high service volumes
- sustained robust cyber security with all (22) high-severity incidents managed while maintaining 100% data integrity and ensuring operational continuity.

Data services also performed well, handling 24.8 million product hits, of which 97% were delivered within SLA. Despite resource constraints, DDaT continued to progress major digital transformation programmes while strengthening engagement and capability across teams.

In 2026/27, DDaT will focus on maintaining high performance while addressing key priorities: reducing cyber and technology debt, improving workforce stability and capacity, completing major digital transformation initiatives, uplifting data and AI maturity, and strengthening accessibility and compliance.

DDaT will continue to deliver cost-effective, innovative digital, data and technology services that support our objectives, with an increasing emphasis on integrating automation and AI to drive efficiency and improve customer experience.

### Corporate services

Work is progressing to develop performance measures for our corporate services teams, including People and Communication, Finance, Commercial and Estates, Strategy and Transition and Portfolio Management, which will give insight into how these areas are performing.

Progress against our strategic goals and SLAs, alongside other business insights, are reported quarterly in the NHSBSA/DHSC Accountability Review.

## Complaints handling

Our aim continues to be to resolve complaints fairly and swiftly within our policy. Every staff member has a responsibility to provide good customer service and will try to resolve customer concerns as quickly, fairly and thoroughly as possible, without the need to escalate to the formal complaints policy.

When we cannot resolve complaints, we follow our formal complaints procedure and keep the customer updated with next steps.

## Performance (excluding NHS Pensions)

During 2025/26, of 10,966 complaints:

- 87% were locally resolved at the first stage of the complaints process
- 6.24% escalated to stage one
- 2.03% escalated to stage two
- 0.03% escalated to the Parliamentary and Health Service Ombudsman
- 4.70% were MP correspondence.
- 95.39% of all complaints, excluding NHS Pensions complaints, were reported as not upheld. Complaints are not upheld if the organisation acted correctly or made mistakes but has already done what would be expected to put things right.

The percentage of cases raised to the Parliamentary and Health Service Ombudsman represents three cases, one of which was upheld with two cases not upheld. We worked closely with the Ombudsman to carry out their recommendations and resolve the issue.

## NHS Pensions complaints

During 2025/26, 6,531 complaints were resolved relating to the NHS Pensions Scheme:

- 37.56% of complaints were locally resolved at the first stage
- 24.15% of complaints escalated to stage one
- 6.02% of complaints escalated to stage two
- 9.88% of complaints escalated to the Pensions Ombudsman
- 4.82% of complaints were MP correspondence
- 17.58% were follow-up complaints
- 91.89% of all NHS Pensions complaints were reported as not upheld (percentages add up to 100.01% due to rounding)

The percentage of cases raised to the Pensions Ombudsman represents 645 cases:

- 70 cases were upheld in full
- 30 cases were partially upheld
- 545 cases were not upheld

We work collaboratively with the Pensions Ombudsman to apply all decisions or instructions issued by the Pensions Ombudsman relating to complaints.

Our NHS Pension Scheme Annual Accounts hold further details on formal complaints related to the NHS Pension Scheme: https://www.nhsbsa.nhs.uk/information-about-nhs-pensions/nhs-pension-scheme-accounts-and-valuation-reports

We continue to work to align our complaints reporting to support consistency and transparency. This includes current work to replace our complaints system, which will improve reporting going forwards and provide increased insight for us to make further business improvements.

## 1.2.3 Corporate risks impacting delivery

### Corporate risks summary

Corporate risks are those risks that are so significant that they could materially impact the achievement of our strategic objectives.

The COG owns and is collectively responsible for the identification and management of corporate risks relevant to us at any given time. Our board and ARC continually assess the nature and extent of the corporate risks that the organisation is exposed to and is willing to take, to achieve its objectives.

During 2026/27, we are transitioning from corporate to principal risks as part of our continual evolution and maturing of risk management.

Our 2025/26 corporate risks, and their position at year-end, are set out in Table 8.

| Table 8: 2025/26 corporate risks and position | |
|---|---|
| **Corporate risks** | **Current position** |
| **NHS Pension Scheme service delivery**<br>If we fail to address, at pace, the ongoing challenges facing the Pensions Service, the service may become overwhelmed, impacting our ability to deliver change and improvement, adhere to regulation and legislation, whilst maintaining BAU responsibilities.<br>This will detrimentally impact our customers, colleagues and stakeholders, and result in us failing to deliver on key goals and objectives as part of the NHSBSA strategy | The risk scoring has remained stable, reflecting the ongoing focus on delivery of the McCloud Remedy. The assessed risk will lower as Awards recovery is maintained and the McCloud re-plan is assured.<br>The creation of a single, combined view of recruitment and capacity has matured while work progresses on a holistic view of service efficiencies, demands, prioritisation and a delivery roadmap across BAU and projects.<br>The original risk description has been updated to the proposed Principal Risk narrative, to reflect that current exposure has evolved since it was first articulated. |
| **Information security**<br>The actions of a staff member, contractor, supplier or other party could lead to a major breach of information governance and security | Our in-year Departmental Security Health Check achieved full compliance in three of four standards with 97.5% 'nearly met' compliance in the remaining standard.<br>Our GRA Enterprise board approved the approach and actions needed to meet full compliance in 2026/27. We have completed an exercise to incorporate our Information Security risks into our 2026/27 Cyber Security Principal Risk. |
| **Government productivity target**<br>Not accurately calculating the measures associated with the government productivity target, due to the quality and availability of data, could impact delivery of the strategy and wider efficiencies | From a project delivery perspective, measurement of all aspects of productivity and efficiency have been implemented and aligned to the Government Efficiency Framework (GEF). In addition, we have been working alongside DHSC and other ALBs to support adoption of the GEF. We currently meet or exceed the targets.<br>Work to introduce unit-costing as a measurable metric throughout 2026/27 is on track and delivery milestones are being developed. This measure will become a key tool for our service boards to measure service productivity and progress towards the government target. |
| **Funding**<br>Insufficient funding provided to us from DHSC, and other commissioning bodies, could lead to a breach of financial resource limits, reduced quality of service and inability to deliver change | DHSC has provided formal confirmation of 2026/27 baseline budgets. These are in line with our expectations and the planning that has been underway, informed by previously provided indicative baseline budgets. |

| Corporate risks | Current position |
|---|---|
| **3* Best Companies accreditation**<br>Increasing pressures and significant changes in the services and wider health system could result in an impact to colleague engagement and non-delivery of a key strategic area | The Colleague Engagement survey results were reviewed, and a corporate-level action plan was presented to our leadership team.<br>Progress against the plan is being reported monthly to the People and Workforce Enterprise board, as business areas focus on delivering detailed improvement plans aligned to the corporate-level action plan. |
| **Diverse workforce**<br>Failure to have a diverse workforce representative of the communities we serve may result in services not meeting the needs of all service users and reputational damage | The Disability and Neurodiversity Development Programme, introduced in September 2025, completed its first cohort in February 2026.<br>Feedback continues to be positive, and outcomes are currently under review.<br>Additional actions include the new Women's Development Programme 'Elevate' soon to launch, and an additional cohort of the Black and Minority Ethnic development programme. |
| **Priorities of sponsors/ commissioners**<br>Changing priorities of sponsors and commissioners may not align with our strategy, resulting in possible impacts to delivery of the strategic goals, services and planned projects | We continue to progress work in the following areas while awaiting publication of the NHS Workforce plan in Spring 2026:<br>• reviewing the corporate strategy to identify and maximise opportunities in line with the 10-Year Health Plan.<br>• developing plans to support the future delivery of the NHS Workforce Plan.<br>• assessing and refining approach to engagement with senior sponsors and commissioners. |
| **Future NHS Workforce Solution adoption**<br>User organisations may not have the appetite and/or capacity to fully adopt the solution, resulting in a failure to deliver the programme benefits and impacts to colleagues across the NHS | The work undertaken by the programme's Readiness and Implementation team has resulted in an agreed cohort of early adopters.<br>The team will work with each organisation to define 'scoping documents' which outline the resources, timelines and expected benefits from moving onto the new system. In addition, the programme is providing funding for temporary resources, with a focus on programme and change management, for each user organisation as they prepare for the migration onto the new solution.<br>A series of show-and-tells is planned, showcasing the solution's full capabilities, building on positive feedback and encouraging wider adoption in future waves. Alongside this, a new System Stewards forum – bringing together senior leaders across workforce, finance and technology – will make key strategic decisions on cross-programme alignment and issues. |

| Corporate risks | Current position |
|---|---|
| **Significant fraud**<br>Significant instances of fraud not prevented or detected may lead to significant loss of public funds and reputational damage to us | The 2026/27 Annual Fraud Work Report and associated plan is under development in accordance with the Secretary of State directions. A key element included is the Fraud Loss Measurement Exercise. |
| **Achievement of net zero target by 2030**<br>Failure to deliver the net zero target by 2030 could result in reputational damage, non-delivery of a key strategic goal and external environmental targets | Draft 2025-2030 Greening Government Commitments and implications for us are currently being reviewed by the Environment Committee and supporting sub-groups.<br>We continue to consolidate and improve our estate through the Workplace Review Programme and have seen strong progress in reducing emissions, supported by relocations and energy-efficiency upgrades. |
| **NHS system changes**<br>Changes in the broader health system and NHSE abolishment could impact the delivery of our existing services or require us to provide support for new services at short notice | NHSE decision-making governance for service transfers is now understood to be in place, with a decision on Primary Care Support Services expected. As a result, due diligence planning has been completed, and the resource needs for known services are now established.<br>We continue to engage with NHSE on the Future Services Programme, focussing on the clarity of scope, pace and delivery approach. Engagement is ongoing to understand how NHSE intends to take the programme forward and to ensure we are sighted on any potential implications. |
| **DCR**<br>Finite subject matter expert resource within NHS Dental Services, and the requirement to deliver DCR for both England and Wales, alongside the Transforming Dental Services programme, may mean the changes are not fully achievable within the required deadlines | The DCR for England went live on 1 April 2026, with additional NHSE change requests to be included in an end of April 2026 release.<br>The DCR for Wales, as signed off by the Welsh government, went live on 1 April 2026. As per England, there will be a further release at the end of April capturing late changes to requirements by the Welsh government.<br>Dental Practice Management Software suppliers also went live with their systems on 1 April 2026.<br>TDS implementation to incorporate these DCR changes is planned for November 2026. |

| Corporate risks | Current position |
|---|---|
| **Prioritisation (resource capacity and capability)**<br>The resource capacity and SME capability requirements needed to overcome, at pace, the current challenges within the Pensions Service, alongside other organisational priorities, including DCR and the imminent closure of NHSE, is placing strain upon both BAU activity and the delivery of other service priorities | Following risk-led, one-to-one discussion with directors on current priorities and capability and capacity constraints, our leadership team held a three-day workshop to assess the organisation-wide impact of competing priorities and resource limitations, agreeing outputs and starting the development and delivery of action plans.<br>We submitted a Workforce Transformation and Efficiency plan to DHSC in March 2026 focussing on identifying opportunities for efficiencies, transfers and automation. |
| **ESR continuity and transition**<br>The ability to deliver the Joint Transition Plan (JTP) successfully and to timetable – or any contingency option to the JTP – is based on the effective performance of third-party suppliers. Any failure to deliver may undermine both ESR service continuity and the subsequent transition to the Future NHS Workforce Solution | The JTP was quality assured by third-party agencies prior to being accepted by the NHSBSA as the baseline ESR transition plan. Performance against the JTP is monitored at weekly senior Infosys, NHSBSA and DHSC progress review meetings. Any issues arising are escalated and addressed to agreed timescales. In parallel, NHSBSA is taking the necessary actions to ensure a contingency option is available for as long as possible during the transition period. Any associated readiness review gates and decision-making rights have been clearly defined, time-lined and communicated to all parties. |

Note: Prior and current year RAG scores (see Table 3)

## Emerging risk

As part of our evolution of risk management and maturity initiatives, we are putting a structured approach in place to identify, assess and oversee emerging risks which have the potential to impact our strategy, services and operating environment.

Using horizon scanning, informed by internal and external intelligence, we will prioritise the most relevant risks for greater analysis and proportionate response planning, supported by clear ownership and oversight from the Risk and Assurance function. Emerging risks will be reviewed through leadership challenge, with ongoing monitoring and reporting to our leadership team and ARC.

Looking ahead, we face increasing risk from continued NHS system reform, financial pressure and reliance on digital transformation. The accelerating adoption of digital and AI solutions, climate related disruption, and rapid regulatory change (particularly in workforce, data and AI) may increase delivery, compliance and reputational risks if organisational readiness does not keep pace.

## 1.2.4 Financial review

### Background

The financial statements contained within this report have been prepared in accordance with the Direction given by the Secretary of State for Health and Social Care under the National Health Service Act 2006 and in a format instructed by DHSC with the approval of HM Treasury (HMT).

Our 2025/26 accounts have been prepared in accordance with DHSC Group Accounting Manual 2025/26 (GAM) and comply with HMT's 2025/26 Government Financial Reporting Manual (FReM). GAM's accounting policies follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HMT, which is advised by the Financial Reporting Advisory board. They comprise a Statement of Financial Position, Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity, all with related notes.

The accounts are based on two distinct segments. Student support via the payment of Social Work Bursaries, Education Support Grant and the Learning Support Fund and the Authority's operating expenditure relating to the provision of services to the wider NHS.

### 2025/26 financial performance

As a Special Health Authority, we receive funding from DHSC to deliver the services set out in our Direction Order. Our expenditure is financed through both revenue and capital Departmental Expenditure Limits (DEL) allocations, supplemented where appropriate by income generated from services provided to commissioners.

Table 9 summarises our performance against DHSC's financial targets for us. Throughout 2025/26, we maintained effective financial control and governance across both revenue and capital budgets, ensuring that expenditure remained within the agreed DEL limits. We ended the year within our overall funding envelope, demonstrating continued financial discipline and compliance with DHSC requirements.

**Table 9: 2025/26 financial target performance**

| Funding stream | | Limit (£ million) | Achieved |
|---|---|---|---|
| **Administration Revenue DEL** | Non-ringfenced | 82.3 | ✓ |
| | Ringfenced | 19.0 | ✓ |
| **Programme Revenue DEL** | Non-ringfenced | 198.3 | ✓ |
| | Ringfenced | 15.0 | ✓ |
| **Capital DEL** | | 51.5 | ✓ |

## Long term financial trends

Figure 7 shows that our expenditure has increased from £204 million in 2019/20 to £480 million in 2025/26. These figures include our core base allocations from DHSC, alongside other funding we receive from Income and other Government bodies.

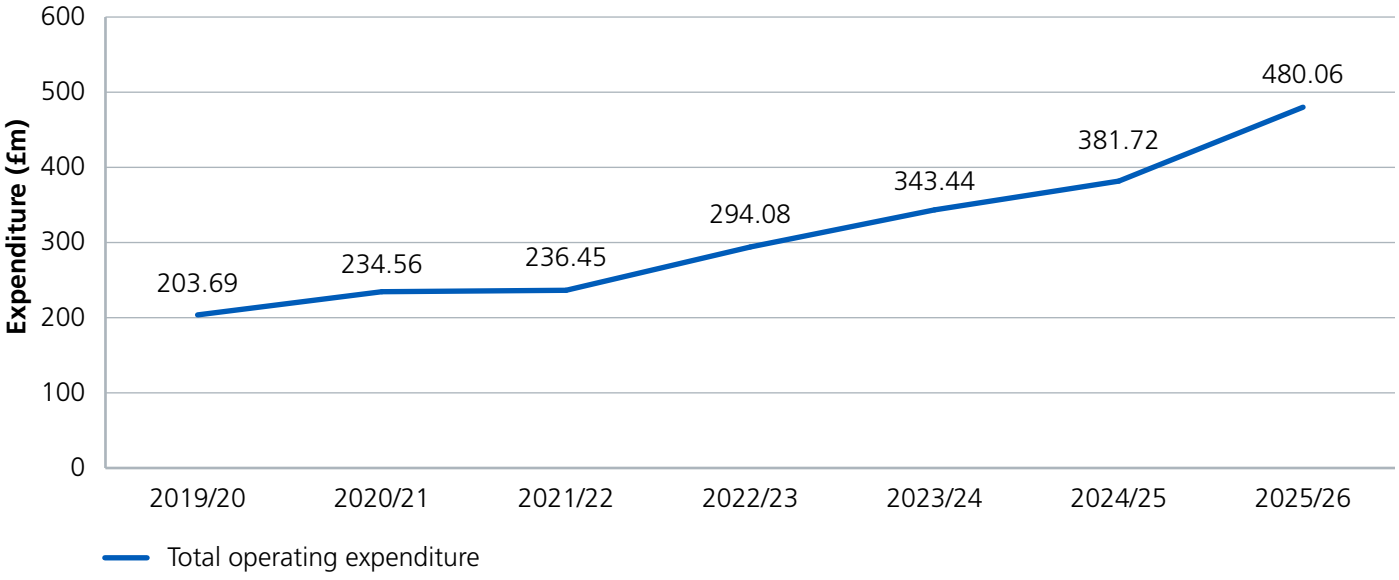
Expenditure growth has been driven primarily by the transfer of additional national services to NHSBSA and sustained volume growth in core services, rather than deterioration in underlying cost control. Following this period of expansion, we are now focused on driving efficiencies and reducing costs across our portfolio to ensure we offer best possible value to taxpayers while continuing to deliver to our customers.

The growth highlights the trust placed in us and demonstrates that we have increasingly been used as the default delivery body for new national schemes, reflecting our scale, infrastructure and statutory footing. The 2023 Independent Review explicitly noted that we have become a "go-to organisation" for standing up new services at pace.

Notable step changes occurred from 2018/19 onwards, reflecting new policy-driven schemes such as NHS Learning Support Fund and Overseas Healthcare Services (post-European Union exit), and again from 2022/23, we took on a larger delivery role for complex, high-volume and assurance-heavy services such as Prescription Exemption Checking.

The upward trend in expenditure from £236 million in 2021/22, to £343 million in 2023/24, and subsequently to £381 million in 2024/25, reflects both the legacy impact of COVID-19 programmes and the continued expansion in NHS Pensions, NHS Prescription Services, and grant-based services administered on behalf of DHSC and the wider NHS system.

**Figure 7:** NHSBSA long term NHSBSA expenditure trend



## Better Payment Practice Code

We are required to report on our performance against the Better Payment Practice Code, which requires non-NHS and NHS trade creditors to be paid within 30 days or within the agreed terms. Our 2025/26 performance against this target is detailed in Table 10.

| Table 10: Better Payment Practice Code performance 2025/26 (2024/25) | Number | Value £ million |
|---|---|---|
| Total non-NHS trade invoices paid | 10,214 (10,399) | 323.6 (255.4) |
| Total non-NHS trade invoices paid within target | 7,824 (9,207) | 281.9 (229.9) |
| Percentage of non-NHS trade invoices paid within target | 77% (89%) | 87% (90%) |
| Total NHS trade invoices paid | 732 (570) | 6.0 (4.5) |
| Total NHS trade invoices paid within target | 412 (470) | 2.7 (3.9) |
| Percentage of NHS trade invoices paid within target | 56% (82%) | 45% (87%) |

## Pension costs for current staff

The treatment of pension liabilities and relevant pension scheme details are set out in note 3.4 to the financial statements and in the Remuneration and Staff Report.

## Hosted services

We provide a range of hosted financial, payroll and HR services to other NHS organisations and DHSC. The costs incurred for providing these services, primarily staff costs, are included within our operating expenditure, along with the total income contributions received from these organisations to cover costs.

For 2025/26, the income received from hosted and managed services totalled £2.2 million (compared to £2.9 million in 2024/25).

The income and expenditure of the organisations to which we provide hosted services, although disbursed by us, is not included in our income and expenditure accounts and is charged to the relevant organisation's accounts.

## Auditor

The Comptroller and Auditor General is appointed by statute to audit the NHSBSA. The audit fee for the year ending 31 March 2026 of £270,000 (2025: £280,000) is for the audit of these accounts.

An additional notional fee of £190,000 (2025: £180,000) relates to NHS Pension Scheme account audits.

## 1.2.5 Future financial targets

### Background

We worked closely with our funders to reach agreement on the Spending Review 2025 (SR25) Phase 2 settlement for the 2026/27 financial year. This was achieved despite significant challenges to our funders, tasked with finding efficiencies across ALB administration and programme budgets. We have received 2026/27 baseline allocations; this settlement has enabled financial balance for 2026/27.

Phase 2 also sets longer term financial plans across government for two years post 2026/27. DHSC's submission to HMT, inclusive of our requirements, was made in line with expected timelines to feed into the Spending Review Statement in June 2025.

This work ran in parallel with our own internal business planning processes to ensure we could deliver on our strategic goals and provide the continuity of services that we are directed to deliver by our stakeholders.

Additionally, we created significant savings for other parts of the health and care system, amounting to over £276 million in 2025/26.

### Our approach to financial planning

After successfully delivering efficiencies throughout 2025/26, our 2026/27 financial plan is focused on securing the financial resource needed to sustainably deliver the services we are directed to provide and securing the resulting savings for the health and care system.

We maintain a relentless focus on efficiency, effectiveness, and delivering taxpayer value. Our engagement with stakeholders helps develop and drive improvements to the wider health system. Many of these projects receive direct funding linked to the strategic priorities of other NHS organisations. We remain committed to delivering against our own productivity efficiencies for 2026/27, which are in line with government targets as part of the Spring Budget.

### Revenue expenditure plans

We have agreed revenue and capital funding with DHSC, sufficient to meet our 2026/27 planned net expenditure.

# 1.3 Sustainability report

## 1.3.1 Environment and sustainability strategy and performance

Environmental sustainability remains a priority for us. It is embedded within our Environmental, Social and Governance (ESG) strategic goal and is reflected across the breadth of our organisational activity.

Our commitment to sustainability also actively supports the delivery of our strategic goal of value and efficiency through reducing unnecessary resource consumption and driving value through environmentally responsible procurement.

Our dedicated Environment and Sustainability team provides oversight and delivery and work across the organisation to ensure our ambitions are translated into meaningful action. This work is underpinned by our 2025-2030 Environment Strategy, which has been developed in consultation with key internal and external stakeholders and informed by best practice and central government policy.

Our strategy sets out a clear and ambitious framework for what we aim to achieve over the next five years, structured across eight core priority areas. This reaffirms our long-term commitment to environmental sustainability and our responsibility to act as a sustainable public sector organisation.

### Our strategic framework

To achieve our environmental ambitions and meet government commitments, we have developed a framework that sets out our priorities and the enablers that support delivery.

#### Our environment strategy priorities

To achieve our environment goals, we will be prioritising a number of core areas.

**Figure 8:** NHSBSA's strategic framework

**Our environmental outcomes**

| Mitigate climate change | Improve use of resources | Adapt to climate change | Enhance our natural environment |
|---|---|---|---|
| **Energy:** Reduce energy consumption and deploy onsite low-carbon and renewable energy.<br><br>**Sustainable Travel:** Transition to active and low carbon modes of transport to reduce our carbon impact and improve air quality. | **Water conservation:** Reduce water use across our estate.<br><br>**Waste and resource efficiency:** Removing waste from our services and operations at source, increasing the proportion that is reused and recycled. | We continue to enhance our understanding of climate-related risks and implement adaptation strategies to safeguard our estate and operations. | We enhance biodiversity across our estate and beyond by creating space for nature to thrive, while empowering people to connect with and care for the natural environment through volunteering. |

**Our enablers support the delivery of our environment and sustainability priorities**

| Our people and culture | Good governance | Sustainable procurement and business change | Sustainable technology and digital services |
|---|---|---|---|
| Educate, engage and raise awareness to embed environment best practice and sustainability into our thinking and processes across our organisation. | Maintain an effective governance framework which ensures continual improvement and a commitment to fulfil our compliance obligations. | Have an environmentally responsible, ethical, inclusive, transparent supply chain. | Ensure our responsible and resilient ICT and digital services deliver measurable and tangible sustainable outcomes. Innovate and use our digital expertise to transform the way we deliver our services to reduce reliance on paper-based services and plastic cards. |

In addition, we have highlighted in this report where our work aligns with the 2030 Agenda for Sustainable Development, which was adopted by all United Nations Member States in 2015 and features 17 Sustainable Development Goals (SDGs).

## Greening Government Commitments

### Aligned to SDG 13 – Climate Action

The Greening Government Commitments (GGC) 2026-30 had not been published at the time of reporting. As they have not yet been officially introduced, we have continued to report on our sustainability performance using our 2017/18 baseline which was aligned to the previous framework.

Performance against the GGC 2021 to 2025 targets can be found in our 2024/25 Annual Report and Accounts by following this link: E03357617_NHSBSA ARA 24-25_Accessible.pdf.

As 2025/26 represents the first year of the new commitment period, it will serve as the baseline year that future performance under the new GGC framework will be measured against. In the meantime, we have included data across several years to provide transparency on our performance trajectory to put into context our current position ahead of formal targets being set.

The following tables show our 2025/26 sustainability performance across key environmental metrics, alongside the previous year's data to show performance trends. Figures have been prepared using the same methodology and reporting boundary as previous years to ensure comparability. These figures will form the baseline for managing progress under the incoming GGC 2026-30 framework once targets are confirmed.

A proportion of the sustainability data included in this report is sourced from third-party suppliers through facilities management, waste, and travel contracts. Where there are limits in data quality, these have been identified and noted in the relevant sections.

Sustainability reporting requirements are embedded in our supplier contracts to improve data quality. Where any concerns arise, these are raised directly with suppliers, and an agreed improvement plan is put in place.

We acknowledge that third-party data carries uncertainty and we are committed to improving data quality.

## Greenhouse Gas Emissions

Greenhouse gas (GHG) emissions are reported in line with the GHG Protocol Corporate Standard and measured in tonnes of carbon dioxide equivalent ($tCO_2e$). Emission conversion factors are sourced from the GGC reporting template.

| Table 11 Greenhouse Gas Emissions ($tCO_2e$) | 2017/18 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|
| **Total emissions*** | **2,643** | **1,178** | **1,068** | **925** | **752** |
| **Percentage reduction in overall emissions from baseline** | N/A | 55% | 60% | 65% | 72% |
| **Scope 1 emissions: direct emissions from owned or controlled sources** | 389 | 336 | 210 | 153 | 115 |
| **Scope 1 emissions: percentage reduction from baseline** | N/A | 14% | 46% | 61% | 70% |
| **Scope 2 emissions: indirect emissions from generation of purchased electricity consumption** | 1,985 | 678 | 647 | 550 | 420 |
| **Scope 2 emissions: percentage reduction from baseline** | N/A | 66% | 67% | 72% | 79% |
| **Scope 3 emissions: indirect emissions from transmission and distribution of purchased electricity** | 158 | 62 | 56 | 49 | 44 |
| **Scope 3 emissions: official business travel – domestic only (aligning with GGC target)** | 261 | 102 | 154 | 175 | 173 |
| **Scope 3 emissions: official business travel – international (categorised as other travel under GGCs framework and not included in the target)** | 7 | 2 | 8 | 3 | 14 |

*Emissions exclude emissions from international business travel as these are not included in the total greenhouse gas emission target in line with the Greening Government Commitments Framework.

Direct emissions associated with NHSBSA activities have reduced by 70% from the baseline year (2017/18). This is primarily due to reduced gas consumption through continued estate consolidation and operational efficiencies and improvements to heating and ventilation systems, including Air Handling Unit (AHU) upgrades.

The continued consolidation of the estate and continuation of hybrid working have reduced our indirect emissions from purchased electricity consumption by 79% from the baseline year. Continued investment in energy efficiency measures, including LED lighting upgrades, alongside the decarbonisation of the national grid, have supported this reduction.

Energy and water data includes some estimates where utility information is provided by third parties/ landlords and is therefore estimated based on floor space occupied by NHSBSA within those sites.

Scope 1 emissions include diesel consumption for the sprinkler system. Fuel data is received in litres and converted to kWh for reporting purposes.

Direct emissions associated with NHSBSA activities have reduced by 72% from the baseline year (2017/18). We have also reduced our overall greenhouse gas emissions by 72%.

Many factors have contributed to this performance, including the decarbonisation of the national grid, estate consolidation activities to reduce electricity and gas-related emissions, targeted investment in energy-efficiency measures – such as LED lighting upgrades and AHU improvements – hybrid working practices, and the continued use of on-site renewable technologies.

As part of this, we began work during 2025/26 to decarbonise the building on Greenfinch Way. Our expenditure related to emission reduction projects or low emissions solutions is £438,108.66. While this project is ongoing, we expect to see the emission reductions realised in the future.

We have started to strengthen the accuracy and quality of our environmental data through improvements in monitoring and reporting processes, including the integration of submeters that provide more granular energy consumption data. This will support improved visibility of energy use across our estate and help identify further opportunities for efficiency improvements and emissions reductions.

We continue to prioritise direct emissions reductions across our operations and have not purchased any carbon offsets, maintaining our focus on achieving genuine operational decarbonisation.

These improvements support our wider sustainability ambitions and contribute to progress towards our 2030 net zero target for controlled emissions. Through estate consolidation, improved energy efficiency, and lower-carbon ways of working, we continue to reduce emissions across sources within our operational control and drive sustained decarbonisation across our activities.

## Utilities

### Aligned to SDG 7 – Affordable and clean energy

| Table 12: Building energy consumption | | 2017/18 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|---|
| Electricity | Consumption (kWh) | 5,162,904 | 3,506,794 | 3,125,318 | 2,654,103 | 2,374,263 |
| | Percentage reduction from baseline | N/A | 32% | 39% | 49% | 54% |
| | Cost (£) | N/A | £1,235,042 | £1,490,857 | £1,162,613 | £1,098,933 |
| | Generated from photovoltaic systems (PV) (kWh) | 3,055 | 89,475 | 189,671 | 189,671 | 196,291 |
| Gas | Consumption (kWh) | 1,968,443 | 1,760,171 | 1,047,955 | 747,928 | 533,158 |
| | Percentage reduction from baseline | N/A | 11% | 47% | 62% | 73% |
| | Cost (£) | N/A | £161,674 | £103,336 | £119,955 | £72,212 |
| Diesel | Consumption (kWh) | N/A | N/A | 10,571 | 7,642 | 9,643 |
| | Cost (£) | N/A | N/A | £1,533 | £1,046 | £4,057 |
| Fugitive emissions | Quantity ($tCO_2e$) | 0 | 0 | 10.6 | 2.1 | 7.47 |

Note: NHSBSA usage is apportioned by the percentage of organisational floorspace leased across our shared occupancy sites.

Energy and water data includes some estimates where utility information is provided by third parties/ landlords and is therefore estimated based on floor space that we occupy within those sites.

We have reduced:

- gas consumption by 73%, against our 2017/18 baseline. This is primarily due to continued estate consolidation, hybrid working arrangements, and improvements to heating and ventilation efficiency across our estate.
- electricity consumption by 54% against our 2017/18 baseline. This was through estate consolidation activities, energy-efficiency measures, and renewable energy interventions. Continued investment in initiatives such as LED lighting upgrades has supported reductions in electricity demand. Approximately 8% of our total electricity use during the 2025-26 reporting year was generated by onsite solar PV systems.

## Travel

| Table 13: Travel | | | | | | |
|---|---|---|---|---|---|---|
| | | 2017/18 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Air: domestic travel | Distance (km) | 53,630 | 6,787 | 19,020 | 31,953 | 42,471 |
| | Emissions ($tCO_2e$) | 7.6 | 0.9 | 3.1 | 5.1 | 5.8 |
| | Percentage reduction in emissions from baseline | N/A | 88% | 60% | 32% | 21% |
| | Total number of domestic flights | N/A | 11 | 50 | 83 | 78 |
| Air: international travel short haul | Distance (km) | 15,309 | 1,408 0 | 0 | 28,522 | 9,483 |
| Air: international travel long haul, economy | Distance (km) | 53,325 | 28,852 | 37,681 | 0 | 97,119 |
| Air: international travel long haul, premium economy | Distance (km) | 0 | 0 | 7,213 | 0 | 0 |
| Rail: domestic travel | Distance (km) | 2,010,916 | 150,906 | 1,413,063 | 1,462,876 | 1,897,301 |
| | Emissions ($tCO_2e$) | 94.07 | 5.36 | 50.11 | 51.87 | 67.28 |
| Fleet vehicles | Distance (km) | 109,801 | 47,179 | 30,165 | 26,023 | 14,383 |
| | Emissions ($tCO_2e$) | 27.98 | 14.51 | 7.55 | 11.81 | 7.13 |

Note: Emission conversion factors for travel are sourced from the GGC reporting template

GHG emissions from domestic business flights have reduced by 21% against a 2017/18 baseline, contributing to our longer-term decarbonisation progress.

However, the volume of domestic flights taken increased in 2025/26 compared to the prior year, meaning the rate of reduction has slowed. We recognise this is not in line with our travel commitments and have updated our travel policy to restrict domestic flights to exceptional circumstances only, supported by enhanced guidance to embed more sustainable travel practices across the organisation.

We have also identified an upward trend in rail travel during 2025/26. While rail is a lower-carbon mode of transport than domestic flights, we recognise the need to understand the drivers of this increase and ensure our travel policy reflects the full picture of business travel across the organisation. We are conducting a review of rail travel patterns and will use the findings to update our travel policy guidance accordingly.

## Waste

### Aligned to SDG 12 – Responsible consumption and production

**Table 14: Municipal Waste**

| | | 2017/18 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|---|
| Total waste arising | Quantity (tonnes) | 1,154 | 571 | 690 | 565 | 597 |
| | Percentage reduction from baseline | N/A | 51% | 40% | 51% | 48% |
| | Cost (£) | N/A | £105,667 | £68,829 | £106,446 | £77,981 |
| Total waste recycled | Quantity (tonnes) | 981 | 506 | 624 | 499 | 534 |
| | Percentage of total waste arising | 85% | 89% | 90% | 88% | 89% |
| | Cost (£) | N/A | £96,356 | £74,433 | £48,728 | £46,218 |
| Total ICT waste recycled, reused and recovered externally | Quantity (tonnes) | 0 | 7 | 11 | 19 | 21 |
| | Cost (£) | N/A | £842 | -£15,986 | £9,956 | £2,053 |
| Total waste composted/food waste | Quantity (tonnes) | 11 | 13 | 5 | 5 | 7 |
| | Cost (£) | N/A | £2,033 | £2,492 | £7,509 | £4,862 |
| Total waste incinerated with energy recovery | Quantity (tonnes) | 103 | 52 | 50 | 42 | 36 |
| | Cost (£) | N/A | £6,436 | £7,890 | £40,253 | £24,847 |
| Total waste to landfill | Quantity (tonnes) | 59 | 0 | 0 | 0 | 0.145 |
| | Percentage of total waste arising | 5% | 0 | 0 | 0 | 0.02% |
| | Cost (£) | N/A | N/A | N/A | N/A | N/A |

Note: Municipal waste data includes waste from administrative and operational activities only.

Waste data includes some estimates where information is provided by third parties/landlords and is therefore estimated based on floor space occupied by NHSBSA within those sites.

Usage for the NHSBSA is apportioned by the percentage of organisational floorspace leased across our shared occupancy sites.

The small volume reported under landfill relates solely to a proportion of our ITAD contract where separate financial data was unavailable at the time of reporting.

Costings for approximately 2% of waste volumes were unavailable at the time of reporting and have been estimated as a proportional share of total waste expenditure. We are working with the relevant suppliers to ensure full cost data is available for 2026/27.

Total waste generated was reduced by 48% against the 2017/18 baseline and increased the proportion of waste recycled to 89%. This year 0.02% of our IT Asset Disposal (ITAD) waste was sent to landfill, breaking our previous record of zero landfill across all prior reporting periods. We are working with our ITAD supplier to understand the cause of this and are committed to returning to zero landfill in 2026/27.

We have continued to digitise our services and increase uptake of our digital platforms to reduce waste and move away from paper-based correspondence within these services.

We continue to prioritise waste reduction and reuse activities. We work with our furniture supplier and IT asset disposal provider to focus on reusing equipment wherever possible. Furniture and IT items are first assessed for potential reuse before recycling. This has reduced the total waste generated from office clearances and decommissioning activities.

While our use of consumer single-use plastics is not yet fully removed, significant progress has been made to remove or substantially reduce use across our estate and operations. This has been achieved through collaboration with key internal and external stakeholders and implementing practical initiatives to help change behaviour.

During the year, a discount was introduced at our highest-impact site to encourage increased use of reusable coffee cups by colleagues. We continue to take action to reduce waste and have broadened this work to focus on eliminating all single-use items across our estate, extending our approach beyond plastics alone.

## Finite resource consumption including water use

| Table 15: Use of finite resources | | | | | | |
|---|---|---|---|---|---|---|
| | | 2017/18 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Water Consumption | Consumption ($m^3$) | 20,090 | 7,965 | 9,157 | 5,533 | 5,183 |
| | Percentage reduction on baseline | N/A | 60% | 54% | 72% | 74% |
| | Cost (£) | N/A | £79,718 | £70,108 | £76,068 | £73,986 |

Note: Removal of usage by other building occupants at Stella House

NHSBSA usage is apportioned by the percentage of organisational floorspace leased across our shared occupancy sites. For 2025/26, consumption at our Wakefield site was estimated using average of last Q4 usage.

We have reduced our water usage by 74% against our 2017/18 baseline. Hybrid working has continued to have a positive impact on water consumption, alongside ongoing consolidation of the estate. We continue to use our water monitoring solution through a portal, which provides greater visibility of consumption and enables us to identify and address potential leaks more efficiently.

Given our organisation's operations, much of our indirect water footprint lies within our supply chain. Our sustainable procurement approach, described below, supports positive action in this area.

## Sustainable procurement

### Aligned to SDG 12 – Responsible consumption and production

Our Environment and Sustainability and Commercial teams continue to promote sustainable procurement across the NHSBSA. All procurements over £10,000 are assessed to identify environmental improvements and ensure compliance with government standards and social value requirements. We have updated our mandatory Environment and Sustainability Assessment to align with best practice and government mandates such as the Government Buying Standards to ensure they are embedded into contracts. This strengthens our ability to identify risks early and embed sustainability into decision-making.

We have:

- begun measuring our Scope 3 emissions from purchased goods and services to support our 2040 net zero target*
- begun enhancing data accuracy by transitioning from spend-based estimates to supplier-specific data

* Please see our Environment and Sustainability Strategy 2025-30 for further information on the Scope of our net zero targets.

- developed a Supplier net zero Roadmap which embeds emissions reduction targets into contracts and uses existing frameworks to drive supplier commitments. The roadmap has been endorsed and introduced to suppliers, and its requirements are now being integrated into procurements
- a dedicated social value working group that continues to drive the integration of social value across our procurement activity
- strengthened our commercial processes to better embed social value considerations
- reviewed how we apply social value proportionately to different contract types
- introduced a more contextualised social value model to help suppliers understand our organisational priorities

These improvements have enabled us to increase the overall impact and benefits delivered through social value.

## Nature recovery

### Aligned to SDG 15 – Life on land

Whilst we do not hold significant natural capital or land holdings, we have continued to prioritise sites with the greatest biodiversity potential within our nature recovery plan, such as Stella House which sits on the North Tyne Wildlife Corridor.

Throughout 2025/26, we enhanced our grounds maintenance practices at Stella House to support nature recovery and increase biodiversity. Other improvements included the redevelopment of the on-site pond to restore and enhance vital habitats, the creation of new wildflower and pollinator beds, the introduction of hedgehog habitats, and the rewilding of 100 square metres of previously grassed areas.

We have also continued to positively contribute to nurturing our environment and nature recovery efforts through our colleague volunteering scheme which has included litter picking, tree planting, and contributing to rewilding projects. We have worked alongside our Social Impact Manager (Volunteering and Fundraising) on creating and increasing the uptake of environmental volunteering opportunities.

## Digital sustainability

During 2025/26, we continued to strengthen our approach to sustainable technology, focusing on:

- reducing technology-related greenhouse gas emissions
- enhancing governance
- improving environmental management practices

Clear governance and reporting frameworks are now in place, and work has begun to establish a robust emissions baseline to support future ICT decarbonisation efforts. The quality and scope of emissions data have also improved, with increased visibility of cloud-related emissions and the embodied carbon of hardware, enabling more informed decision-making.

Sustainability is increasingly embedded across the technology lifecycle, from design and procurement to operation and end-of-life management. Environmental considerations are integrated into procurement processes, including formal assessments for higher-value purchases and alignment with government guidance.

Alongside this, initiatives are underway to optimise cloud efficiency, while we are exploring sustainability principles to be incorporated into digital design and technology architecture. Progress has also been made in the sustainable management of ICT assets, including responsible disposal practices and the exploration of reuse and donation schemes, supporting long-term environmental performance and continuous improvement.

## Maintaining our ISO 14001 organisation-wide environmental management system

Our ISO 14001 environmental management system allows us to systematically identify, assess, and manage our environmental aspects, while embedding a culture of continual improvement across our operations. This structured approach means that risks are proactively controlled, and opportunities for performance enhancement are consistently acted on.

In addition, the framework supports a robust and coordinated response to environmental incidents. This year, a biodiversity-related incident was identified and appropriately reported to the relevant regulatory bodies, including the Department for Environment, Food and Rural Affairs, in line with statutory requirements. A full review was done, with corrective actions put in place to strengthen controls and mitigate the risk of recurrence. This included enhancements to our monitoring, maintenance, and preventative measures, ensuring improved resilience and compliance going forward.

## Climate change adaptation

We have begun strengthening our understanding of, and response to, climate-related risks through a qualitative climate risk assessment and adaptation plan delivered in collaboration with key departments. It explored a range of climate hazards across multiple scenarios and time horizons, identifying key physical flooding risks to assets, colleague wellbeing, productivity, and service demand, alongside the transition risk of not achieving our 2030 net zero target.

Engagement with risk leads across the organisation has raised awareness and supported the integration of relevant climate risks into local risk registers and business continuity planning.

Further information can be found in our Task Force for Climate-related Financial Disclosures (TCFD) Report (section 1.3.2)..

## 1.3.2 Task Force on Climate-Related Financial Disclosures report

The Task Force on Climate-Related Financial Disclosures (TCFD) framework helps public companies and other organisations to more effectively disclose climate-related risks and opportunities.

In line with TCFD's recommendations and the UK government's 2025/26 sustainability reporting guidance, this section describes how we consider and manage climate-related risks and opportunities across our organisation.

Guidance from HMT has directed government departments and some ALBs that fall within TCFD scope to undertake a phased approach to reporting. ALBs are required to follow this guidance if they have more than 500 full-time employees or a total operating income of more than £500 million. We meet these criteria and therefore follow HMT guidance in this report.

TCFD reporting focuses on four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets

Each thematic area has a series of recommended disclosures. These disclosures help stakeholders understand how organisations consider climate-related issues.

Climate change is expected to increase physical and transition impacts that may affect our operations, assets, supply chains, workforce and financial position. Understanding these impacts is essential to maintaining resilience, ensuring effective use of resources and supporting the achievement of our longer-term objectives.

Our TCFD disclosures are structured around these four thematic areas which sets out how:

- oversight and accountability for climate-related matters are embedded within our governance arrangements
- climate risks and opportunities are incorporated into strategic planning
- we assess, monitor and measure performance over time

We recognise that TCFD reporting is an iterative process. Our disclosures represent a proportionate, best-available assessment for the current reporting period and will be enhanced as our approach, data quality and analytical capability continues to develop.

### TCFD compliance statement

We have reported on climate-related financial disclosures consistent with HMT's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector.

We consider climate mitigation to be a principal risk, and have therefore complied with the TCFD recommendations and recommendations disclosures around:

- Governance – recommended disclosures (a) and (b)
- Risk management – recommended disclosures (a) to (c)
- Strategy – recommended disclosures (a) to (c)
- Metrics and targets – recommended disclosures (a) to (c)

This is in line with central government's TCFD-aligned disclosure implementation timetable for Phase 3.

## Governance

Effective governance is essential to ensuring that climate-related considerations are appropriately integrated into organisational decision-making, risk management and strategic planning. This section outlines our board's roles and responsibilities in overseeing and managing climate-related risks and opportunities.

### TCFD governance disclosure: a) Board oversight of climate-related risks and opportunities

Our board holds ultimate accountability for the monitoring and management of climate-related risks and opportunities for the organisation as part of its overall responsibility for organisational performance, strategy and risk management.

The board exercises oversight through a structured reporting framework, including:

- quarterly corporate performance reports provided to the board and consolidated leadership team (CLT), which include updates on progress towards climate-related objectives, including our net zero 2030 target
- an annual Environment and Sustainability Report, providing a comprehensive update on strategy, risks, performance and key initiatives
- engagement with a non-executive director sustainability champion, providing independent scrutiny and challenge.

Through these mechanisms, the board:

- reviews, challenges and monitors climate-related risks and opportunities
- oversees performance against strategic climate commitments, including net zero
- provides challenge on the adequacy of management responses and planned actions
- ensures alignment between climate-related considerations and broader organisational strategy and risk appetite

Climate-related issues are therefore embedded within established board governance and reporting processes, ensuring regular visibility and informed decision-making.

## TCFD governance disclosure: b) Management's role in assessing and managing climate-related risks and opportunities

### Governance structures and responsibilities

Senior management is responsible for the identification, assessment and management of climate-related risks and opportunities, supported through established governance structures.

The Environment Committee is the primary forum for managing climate-related issues. The committee:

- meets at least three times per year
- is chaired by the Chief Executive, acting as Executive Sponsor for Environment
- has members from the leadership team
- acts as the strategic decision-making body for environmental sustainability matters
- oversees climate-related risk, performance and delivery of strategic initiatives

The committee is supported by four sustainability subgroups, which:

- are chaired by either a director or head of service
- lead on key focused areas of sustainability
- monitor operational performance and risk
- deliver targeted interventions and improvement actions
- report regularly into the Environment Committee

This structure ensures clear ownership, accountability, and coordination of climate-related activities across the organisation.

### Escalation and reporting

There are defined escalation routes to ensure that climate-related risks and issues are visible at senior levels of the organisation. We have the following escalation routes:

- The Environment Committee reports into the People and Workforce board, which reviews climate-related matters at least three times per year
- The People and Workforce board escalate key issues to the CLT and ultimately to the board
- The CLT and board receive both quarterly performance updates and a comprehensive annual report
- The Environment and Sustainability team also report annually to the CLT on strategy, delivery and performance

These arrangements provide structured oversight and ensure that climate-related risks and opportunities are appropriately escalated and managed.

### Integration with risk management

Climate-related risks and opportunities are embedded within the organisation's formal risk management processes. Specifically:

- climate change risks are captured within local risk registers
- relevant risks are escalated into the corporate risk register
- oversight is provided through the organisation's risk management group

In addition, the organisation's Environmental Management System, certified to ISO 14001:2015, requires:

- systematic identification of environmental risks and opportunities, including climate-related risks
- integration of these into operational planning and objective setting
- ongoing monitoring and review

This ensures that climate-related risks are consistently identified, assessed, and managed alongside other organisational risks.

### Operational responsibility and delivery

Operational responsibility for managing climate-related risks and opportunities sits with the Environment and Sustainability team, working in partnership with relevant teams across the organisation.

Responsibilities include:

- identifying and assessing climate-related risks and opportunities
- developing and implementing mitigation and adaptation actions
- monitoring performance and reporting progress through governance structures
- supporting delivery of the Environment and Sustainability Strategy and net zero 2030 objective

Delivery is supported by an annual Environment and Sustainability Action Plan, which sets out clear actions, responsibilities and timelines, reinforcing accountability across the organisation.

## TCFD strategy

### TCFD strategy disclosure: a) Risks, opportunities, and time horizons

### Overview

We have identified climate-related risks and opportunities through risk management processes and a formal Climate Change Risk Assessment (CCRA) aligned with the UK Government Office of Government Property (OGP) framework. Climate change is recognised as a principal risk, primarily through the organisation's strategic net zero by 2030 commitment, alongside a range of operational and physical climate-related risks.

## Time horizons

In line with HMT guidance and the OGP Estates Adaptation framework, we consider multiple time horizons reflecting both the long-term nature of climate change and the useful life of estate assets:

- short term (0–5 years): aligned to business planning cycle, GGCs and net zero delivery milestones
- medium term (2030s–2050s): aligned to our strategic targets (including net zero 2030) and CCRA projections to the 2050s (2040–2059)
- long term (2050s–2100): aligned to asset lifespans and longer-term climate projections to the 2090s (2080–2099)

These horizons reflect the increasing severity and likelihood of climate-related risks over time.

## Climate-related risks

### Principal climate-related risk

Our principal climate-related risk is the achievement of net zero by 2030 (transition risk), driven by reliance on funding, resources, and capability; increasing regulatory and reporting requirements; and the complexity of delivery across estates and operations.

Failure to achieve this target may result in inability to meet national environmental targets, reputational damage, and financial and regulatory implications. This risk is most significant in the short to medium term, where delivery actions must be implemented at pace.

### Transitional climate-related risks

Key short- to medium-term transition risks identified include:

- regulatory and compliance risk including the risk of not meeting evolving requirements such as TCFD, GGC and procurement policy notes, which may lead to financial and reputational impacts
- governance and delivery risks including the risk that unclear roles, responsibilities or capability gaps hinder delivery of net zero targets
- data and decision-making risks where gaps in carbon data quality and interpretation may impact the accuracy of carbon reduction planning and strategic decision-making
- strategic delivery risk including the risk of failure to meet the Organisation and Environment Strategy targets, which may impact organisational credibility and performance

We continue to assess climate-related risks and recognise that further development of our CCRA is required to strengthen our understanding and management of these risks.

### Physical climate-related risks

Our CCRA identifies physical climate-related risks, with the most material relating to heat and flooding, which are expected to increase in severity over time.

Key heat-related risks include increased frequency of heatwaves (projected up to approximately four events per year by 2100); overheating of buildings; reduced staff productivity and wellbeing; and increased health and safety risks. These risks are already being experienced and are expected to intensify, with higher risk scores projected in the 2050s and 2090s.

Key flooding and extreme weather risks include risks to business sites and infrastructure; disruption to utilities (power and water); restricted access to key operational sites (for example, sites with single access routes); and increased surface water flood risk at certain locations. Flood risks are assessed as high or very high in the medium and long term, particularly for operations that require physical presence.

Operational and service delivery risks associated with physical climate impacts include disruption to critical services, backlogs caused by outages, and supply chain disruption.

Systemic and financial risks include increased demand on NHS services due to climate-related health impacts (for example, heat-related illness), leading to increased claims and financial pressures, as well as wider economic impacts such as climate-related inflation affecting budgets.

**Financial and strategic impacts**

Climate-related risks may have a material impact through:

- increased operational costs (for example, estate upgrades, energy, and disruption recovery)
- capital investment requirements for adaptation and decarbonisation
- financial pressures arising from increased service demand and compliance requirements
- reputational impacts
- implications for delivery of strategic objectives, particularly the net zero 2030 target

However, further work is required to better understand and quantify the financial impacts of climate change on our organisation.

### Climate-related opportunities

In response to these risks, we have identified several opportunities:

- strengthening operational resilience through enhanced business continuity planning and improved estate resilience
- improving energy efficiency, estate optimisation, and data quality to support more informed investment decisions
- strengthening strategic alignment and compliance with national policy (for example, our 2030 net zero target and GGC), enhancing organisational reputation and assurance
- supporting flexible working and improved workplace conditions to mitigate productivity impacts associated with climate change

**Process for identifying and assessing risks and opportunities**

Climate-related risks and opportunities are identified through a combination of:

- risk management processes, including local and corporate risk registers
- a formal CCRA aligned to the OGP framework
- use of climate scenarios (2°C and 4°C warming pathways) to assess future impacts
- assessment of risks based on likelihood and impact using a structured risk matrix
- stakeholder engagement to identify operational vulnerabilities and emerging risks

## TCFD strategy disclosure: b) Impact on business and strategy

Climate-related risks and opportunities are integrated into our strategic planning, investment decision-making and delivery activities, particularly in relation to our net zero 2030 target.

Delivery of climate-related objectives is embedded through a range of organisational programmes and activities, including targeted transformation initiatives and BAU operations. These programmes support both carbon reduction objectives and wider organisational priorities such as business continuity, regulatory compliance and strategic alignment.

Climate-related considerations are incorporated into the organisation's approach to identifying and prioritising estates interventions, with potential activities assessed against a range of criteria. These include regulatory and compliance requirements, health and safety, business continuity, net zero contribution, and alignment with organisational strategy.

A structured prioritisation approach is applied to ensure that investment and activity are directed towards areas of greatest strategic importance. This includes consideration of the relative contribution of activities to net zero delivery, alongside operational, financial and strategic factors.

This approach ensures that climate-related considerations, including carbon reduction, are systematically embedded within programme design, investment prioritisation and decision-making processes, alongside other organisational priorities.

### Impact on financial planning

Climate-related risks and opportunities influence our financial planning and investment decisions, including the prioritisation of activity.

We operate within an established financial framework encompassing both revenue funding for ongoing operations and capital investment to maintain and enhance organisational assets. Climate-related initiatives, including those supporting delivery of the net zero 2030 target, are considered within this framework. They may be supported through a range of funding mechanisms depending on their nature and intended outcomes.

Investment decisions are informed by established appraisal processes aligned to the HMT Green Book, with a focus on demonstrating value for money, including consideration of costs, benefits and alignment with strategic objectives. Climate-related considerations are therefore incorporated into broader financial decision-making processes.

Where activity cannot be accommodated within existing allocations, alternative funding approaches may be considered, including external or centrally available funding opportunities.

### Investment prioritisation and governance

Investment prioritisation and governance arrangements ensure that climate-related risks and opportunities are considered within broader organisational decision-making and portfolio management processes.

Projects are subject to structured appraisal and prioritisation processes, incorporating multi-disciplinary input and considering a range of factors, including strategic alignment, cost, benefits, risk and deliverability. Climate-related considerations, including contribution to net zero and wider ESG objectives, are reflected within these assessments.

Prioritisation is informed by both obligations and strategic need, ensuring that regulatory and compliance requirements are addressed alongside discretionary investments that support longer-term objectives. Investment decisions are supported through established governance and assurance frameworks, providing appropriate scrutiny, challenge and oversight, and ensuring alignment with organisational priorities and expected outcomes.

Ongoing monitoring of the investment portfolio provides visibility of financial commitments, delivery progress and benefits realisation, enabling the organisation to track alignment with strategic objectives, including net zero.

These arrangements ensure that climate-related considerations are embedded within investment prioritisation, governance and portfolio oversight.

### Future development

While climate-related considerations are embedded within existing planning and investment processes, further work is underway to strengthen integration, including:

- enhancing the visibility of environmental impacts and opportunities within investment appraisals
- refining prioritisation criteria to more explicitly incorporate climate-related decision-making
- improving understanding of cross-organisational roles and responsibilities for managing climate-related risks, particularly where impacts span multiple functions

## TCFD strategy disclosure: c) Scenario analysis

We have begun to assess the resilience of our strategy to climate-related risks through our CCRA and established risk management processes.

The CCRA applies climate scenario analysis (including 2°C and 4°C pathways) to assess potential impacts over the short, medium and long term, identifying increasing risks from extreme heat, flooding and operational disruption. These findings inform consideration of resilience across strategic planning, business continuity and investment decision-making.

Climate-related risks, including the principal risk of achieving net zero by 2030, are embedded within governance, risk management and delivery programmes. This supports our ability to respond to both transition and physical climate risks.

Actions to improve resilience include investment in estate and operational improvements, strengthening business continuity arrangements, embedding climate considerations into investment prioritisation, and delivery through the Environment and Sustainability Strategy and annual action plan, which coordinate activity to address climate-related risks and support net zero objectives.

While these arrangements provide an initial view of resilience, further work is required to enhance scenario analysis, quantify financial impacts and strengthen long-term adaptation planning.

Limitations of the approach include the exclusion of detailed indirect and supply chain risks, transition (non-physical) risks associated with the shift to a low-carbon economy, and a comprehensive, organisation-specific assessment of current resilience.

Overall, our strategy demonstrates a developing level of resilience, with ongoing work to strengthen its response to climate-related risks over time.

## Risk management

### TCFD risk management disclosure: a) Risk identification and assessment

We have established processes to identify and assess climate-related risks as part of our wider organisational risk management framework.

In 2025/26 we completed our first qualitative CCRA and adaptation planning exercise, working collaboratively with key departments across the organisation. This assessment considered a range of climate hazards under different climate scenarios (including 2°C and 4°C warming pathways) and across short-, medium- and long-term time horizons, strengthening our understanding of current and emerging climate-related risks. The CCRA will be reviewed periodically with a 5-year time frame or earlier if relevant change could impact on it relevancy.

The CCRA identified several physical climate-related risks, particularly in relation to flooding and extreme heat. These risks may impact organisational assets, colleague wellbeing and productivity, and the delivery of services. The assessment also considered potential wider impacts, including increased demand for services because of climate-related health impacts.

In parallel, transition risks are identified through our risk management processes, including those associated with policy, regulatory and operational changes required to achieve net zero. Our commitment to achieving net zero by 2030 is recognised as a principal risk, with the risk of non-delivery captured and monitored through our corporate risk register.

Climate-related risks are assessed in line with our standard risk management methodology, considering likelihood and impact using a structured risk matrix, the potential for financial, operational and reputational impacts, the time horizon over which risks may materialise and interdependencies with other organisational risks.

Climate-related risks are identified and recorded within local and corporate risk registers, ensuring visibility and escalation where appropriate. This structured approach supports consistent identification and prioritisation of climate-related risks across the organisation.

## TCFD risk management disclosure: b) Risk management

We manage climate-related risks through established organisational risk management processes, supported by targeted activity to mitigate both transition and physical risks.

Identified climate-related risks are recorded within local and corporate risk registers and are actively monitored and managed by risk owners. Management responses are developed in line with our standard risk management approach, including the identification of appropriate controls, mitigation actions and escalation routes where required.

Climate-related risks are subject to regular review through governance structures, ensuring that risk levels, controls and mitigating actions remain appropriate and effective.

## TCFD risk management disclosure: c) Overall integration

Climate-related risks are fully integrated into our overall risk management framework and are managed alongside other organisational risks.

Our approach ensures that climate-related risks are identified and recorded within local and corporate risk registers, assessed using the same risk methodology (likelihood and impact) applied across the organisation, subject to established monitoring, reporting and escalation processes. They are also considered within wider strategic planning, governance and decision-making structures.

Climate-related risks are reflected within principal risk reporting, including the risk associated with delivery of the net zero 2030 target, ensuring visibility at senior leadership and board level.

Integration is further supported through alignment with:

- the CCRA which informs understanding of emerging and longer-term risks
- the Environment and Sustainability Strategy and action plan, which drive mitigation activity
- broader business planning, investment and performance management processes, where climate considerations are increasingly embedded

This integrated approach ensures that climate-related risks are managed consistently within the organisation's existing frameworks, supporting a coordinated and proportionate response.

## Metrics and targets

### TCFD metrics and targets disclosure: a) Metrics

We assess and monitor climate-related performance through a range of environmental and operational metrics, which are primarily reported in line with the HMT Sustainability Reporting Guidance and GGCs.

These metrics enable us to track performance across key areas, including:

- greenhouse gas emissions
- energy consumption
- waste generation and management
- water consumption

Performance against these metrics is reported:

- quarterly to our sponsor department as part of GGC reporting
- internally through corporate performance reporting and governance structures, including the Environment Committee, senior leadership and board

Metrics are aligned, where appropriate, to recognised standards, including the Greenhouse Gas (GHG) Protocol, ensuring consistency and comparability with central government reporting requirements.

We continue to review and enhance our metrics to ensure they support effective monitoring of climate-related risks and opportunities, and alignment with our net zero 2030 objective.

### TCFD metrics and targets disclosure: b) Emissions

In line with HMT Sustainability Reporting requirements, we measure and disclose our Scope 1, Scope 2 and relevant Scope 3 greenhouse gas emissions.

Our emissions reporting is prepared in accordance with the GHG Protocol, forms part of our annual sustainability reporting disclosures and supports monitoring of progress against both Government targets and our internal net zero target. Emissions data is used to track performance over time, identify key emission sources and reduction opportunities, and inform decision-making and investment prioritisation

### TCFD metrics and targets disclosure: c) Targets

We monitor performance against both externally mandated targets and internal strategic objectives.

Externally, we report against GGC, which include targets relating to emissions reduction, energy use, waste and water. Performance against these targets is reported quarterly to DHSC and annually through sustainability reporting.

Internally, we have set a strategic target to achieve net zero greenhouse gas emissions by 2030. This target is embedded within our organisational strategy and recognised as a principal climate-related risk, reflecting its significance to our long-term objectives.

Progress against our net zero target is:

- monitored through environmental performance metrics and emissions reporting
- reported regularly to senior management and the board through governance structures and corporate performance reporting
- supported by delivery of our Environment and Sustainability Strategy and associated annual action plan

Together, these targets provide a framework for managing climate-related risks and opportunities, driving performance improvement and supporting alignment with national climate policy.

Further insights on performance against key metrics and targets can be found in the sustainability report, section 1.3.1.

## Human rights and social matters

We ensure strong governance structures are in place around social impact and responsibility, human rights, anti-slavery, anti-corruption, anti-fraud and anti-bribery. This includes comprehensive training for colleagues, standards of business conduct policies and processes and arrangements to encourage and support speaking up.

Human rights, anti-slavery and labour standards compliance, as well as Social Value requirements, are embedded through our procurement processes. In addition, we publish an annual Data and Social Impact Report which details the significant social impact made by the organisation each year.

**Michael Brodie CBE**
Chief Executive
NHS Business Services Authority
3 July 2026

# 02

# Accountability report

**This section features**

- Corporate governance report
- Remuneration and staff report
- Parliamentary accountability and audit report

# 2. Accountability report

The purpose of the accountability report is to set out how we meet key accountability requirements to parliament. It includes three key sections:

**2.1 Corporate Governance Report** – provides an overview of our leadership, governance structures, RMF and how they support achievement of our goals and objectives.

**2.2 Remuneration and Staff Report** – provides details of remuneration policy, details of senior staff remuneration and pension interests, and details of staff numbers and costs.

**2.3 Parliamentary Accountability and Audit Report** – brings together the key parliamentary accountability disclosures.

## 2.1 Corporate governance report

### 2.1.1 Directors' report

#### NHSBSA structure

We are led by our board, with Sue Douthwaite as our Chair. The board has overall responsibility for setting our organisation's strategic direction and ensuring effective, integrated governance, including the stewardship and oversight of our financial management. In discharging these duties, the board retains a number of key decision-making powers, most notably in relation to strategic priorities and budget approval.

Other core responsibilities are delegated to two standing committees of the board:

- Audit and Risk Management Committee (ARC)
- Remuneration and Nominations Committee

The specific roles and responsibilities of these committees are described in detail in the Governance Statement.

The board comprises a Non-Executive Chair, five Non-Executive Directors, the Chief Executive, and five Executive Directors, including the Chief Finance Officer. Associate Directors attend board meetings in an advisory capacity but do not hold voting rights and are not formal members of the board.

## NHSBSA board

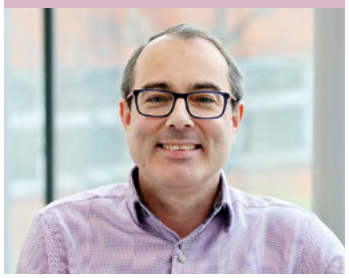
**Figure 9:** NHSBSA Non-executive members

**Sue Douthwaite**
Non-executive
NHSBSA Chair
Remuneration and Nominations Committee member

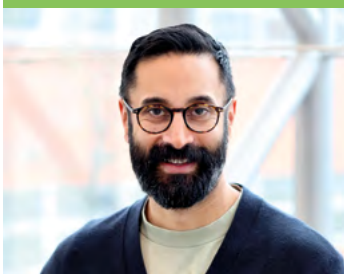
**Kathryn Gillatt**
Non-executive
Audit and Risk Management Committee Chair

**David Leather**
Non-executive
Audit and Risk Management Committee member

**Mathew McKie**
Non-executive
Audit and Risk Management Committee member



**Randeep Sidhu**
Non-executive
Remuneration and Nominations Committee member



**Mel Tomlin**
Non-executive
Remuneration and Nominations Committee Chair
Senior Independent Director

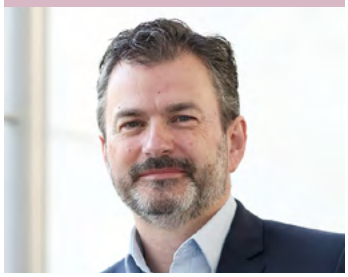
**Figure 10:** NHSBSA executive members and associate non-executive

**Michael Brodie**
Chief Executive

**Brendan Brown**
Chief Operating Officer

**Darren Curry**
Chief Digital, Data and Technology Officer

**Mark Dibble**
Chief People Officer



**Andy McKinlay**
Chief Finance Officer

**Allison Newell**
Chief Strategy Officer (until 31 May 2026)

**Karen Finlayson**
Associate non-executive

(From 15 January 2026)

**Chris Knight**
Associate non-executive

(From 12 September 2025)

## Executive leadership team

Except for matters reserved to the board, responsibility for the day-to-day management and operational delivery of the NHSBSA is delegated to the Chief Executive, Michael Brodie, who also acts as the organisation's Accounting Officer. In discharging these responsibilities, the Chief Executive is supported by the executive leadership team.

**Figure 11:** Executive leadership team as of 31 March 2026

**Chief Executive**
Michael Brodie

| **Chief Operating Officer**<br>Brendan Brown | **Managing Director of Operations**<br>Martin Kelsall | **Chief People Officer**<br>Mark Dibble | **Chief Strategy Officer**<br>Alison Newell |
|---|---|---|---|
| **NHS ESR Director**<br>Paul Spooner<br><br>**NHS Pensions Director**<br>Paul Cooper<br><br>**Managing Director of Operations**<br>Martin Kelsall | **Operations Director (Primary Care Services)**<br>Alison O'Brien<br><br>**Operations Director (Citizen Services)**<br>Dan Britton<br><br>**Operations Director (Workforce Services)**<br>Eveline Brunton | **Director of People**<br>Katie Wilkie (Interim) | **Medical Director**<br>Alison Metcalfe |

| **Chief Portfolio Officer**<br>Libby Pink | **Chief Finance Officer**<br>Andy McKinlay | **Chief Transition Officer**<br>Jonathan Marron | **Chief Digital, Data and Technology Officer**<br>Darren Curry |
|---|---|---|---|
| **Portfolio Management Office Director**<br>(Position vacant) | **Director of Finance**<br>Michael Costello<br><br>**Director of Commercial Services**<br>Sean Murphy | **Transition Director**<br>Hassan Kajee | **Director of DDaT Delivery, Consultancy, Governance and Strategy**<br>Jayne Routledge<br><br>**Director of Cyber and Technology**<br>Tony Burgess<br><br>**Director of Data and AI**<br>(Position vacant)<br><br>**Director of Digital Delivery Centre**<br>Chris Thompson |

## Declarations of Interest

Our Conflicts of Interest Policy sets out our approach to identifying, declaring, and managing interests across the organisation. This applies to all colleagues, including members of the board and the Executive Leadership Team. Board members also adhere to the Code of Conduct for Board Members of Public Bodies, which outlines the standards of behaviour expected in public office. This includes the Nolan Principles of Public Life, as well as requirements relating to the appropriate use of public funds and the management of actual or potential conflicts of interest.

A Register of Interests covering board members, executive leadership team members, and senior staff is maintained and published on our website: www.nhsbsa.nhs.uk/register-interests

At the start of each board, board committee and leadership team meeting, members are required to declare any new or potential conflicts of interest. Where an interest is declared in relation to a specific agenda item, the member concerned would normally be excluded from the relevant discussion. All declarations of interest, together with any mitigating actions taken, are formally recorded in the meeting minutes. During the reporting period, no board members held company directorships or other significant interests that resulted in a conflict with their duties and responsibilities to the NHSBSA.

## Personal data related incidents

We have had two security incidents, as defined by the NHS Data Security and Protection Toolkit criteria, which required reporting to NHSE or the Information Commissioner's Office (ICO).

## 2.1.2 Statement of Accounting Officer's responsibilities

Under the National Health Service Act 2006 and directions made thereunder by the Secretary of State for Health and Social Care with the approval of HMT, the Secretary of State for Health and Social Care has directed the NHSBSA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the NHSBSA's state of affairs and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Health and Social Care, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts, as a whole, is fair, balanced and understandable
- take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

DHSC's Principal Accounting Officer has designated the Chief Executive as Accounting Officer of the NHSBSA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the NHSBSA's assets, are set out in Managing Public Money published by HMT.

As the Accounting Officer, I can confirm that:

- as far as I am aware, there is no relevant audit information of which the auditors are unaware
- I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NHSBSA's auditors are aware of that information
- the Annual Report and Accounts as a whole is fair, balanced and understandable
- I take personal responsibility for the Annual Report and Accounts and judgements required for determining that it is fair, balanced and understandable

## 2.1.3 Governance statement

### Accountability and sponsorship

**Classification:** We have been administratively classified by the Cabinet Office as a Non-Departmental Public Body, and as a Special Health Authority.

**Powers and duties:** Our functions stem from a number of regulations and directions which can be found on our website – www.nhsbsa.nhs.uk/our-policies/governance-framework

**Directions:** The following directions were given during 2025/26:

- Medical Evacuation Cohort Directions 2025
- Infected Blood Further Interim Compensation Payment Scheme Directions 2025
- Adult Social Care Learning and Development Programme Directions 2026

**Ministerial and departmental oversight:** The Secretary of State for Health and Social Care has ministerial responsibility for, and oversight of, NHS delivery and performance. This includes being accountable to Parliament on all matters concerning us, including our functions and performance.

**Principal Accounting Officer and Accounting Officer:** Our Principal Accounting Officer (PAO) is the Permanent Secretary of DHSC. The PAO has designated our Chief Executive as Accounting Officer, ensuring he is fully aware of his responsibilities. The PAO issues a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities.

**Sponsorship Team and Senior Departmental Sponsor:** The PAO has appointed the Department's Chief Commercial Officer as the Senior Departmental Sponsor (SDS). The SDS acts as the main source of advice to the Responsible Minister on the discharge of their responsibilities in respect to us. The SDS also supports the PAO in her responsibilities towards us. The SDS role is facilitative and recognises the need for direct engagement between us and other parts of the Department and ministers. It also supports the Secretary of State and Permanent Secretary in holding us to account. The SDS is responsible for agreeing the objectives for and reviewing the contribution of our Chair.

Further details of our sponsorship arrangement can be found in our Framework Agreement – www.gov.uk/government/publications/dhsc-and-nhsbsa-framework-agreement

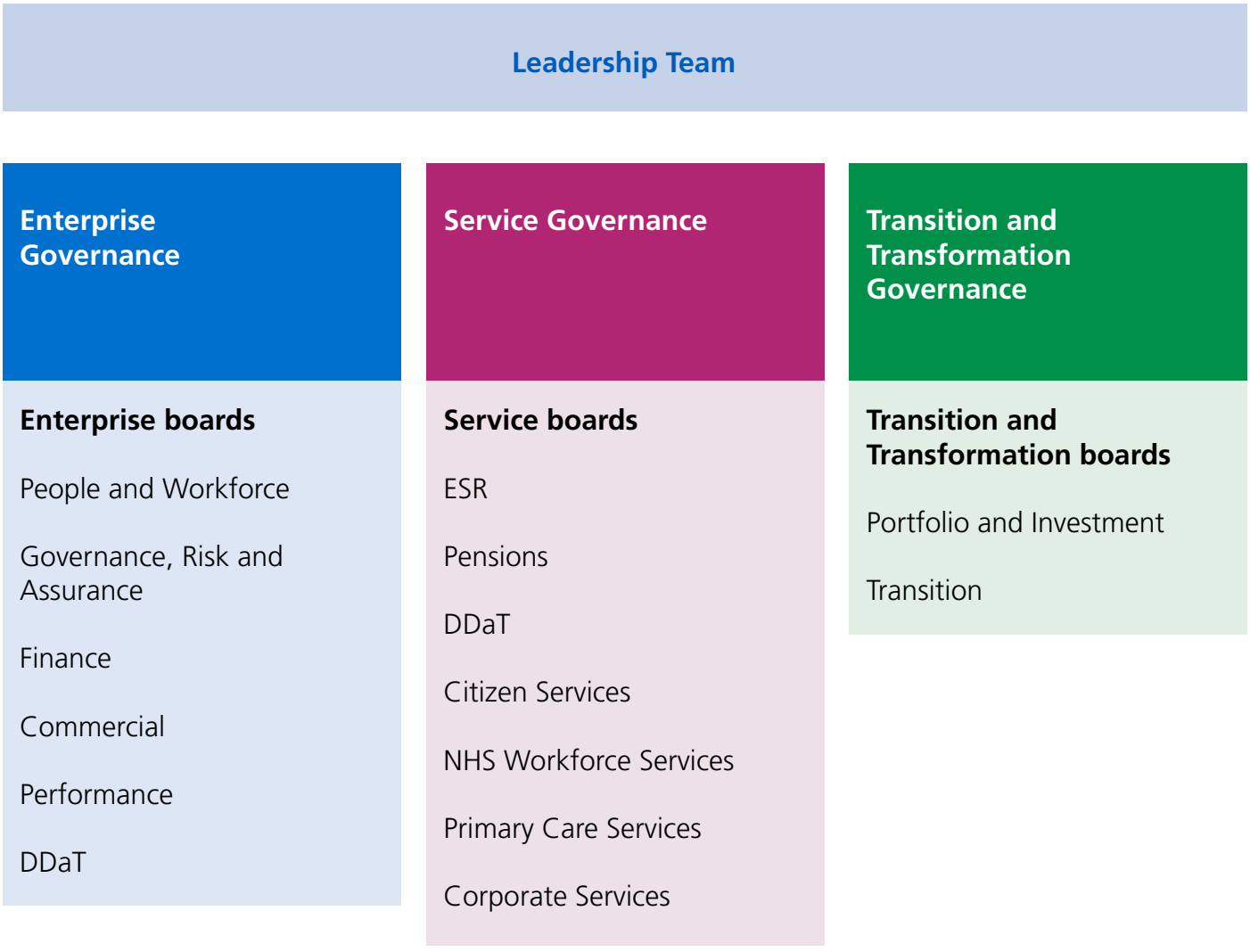
## NHSBSA governance

### Executive leadership team

Our Chief Officer Group is responsible for the strategic leadership of the organisation at the highest level. This group reports directly to our Chief Executive. The Chief Officer Group is supported by our directors who are responsible for leading and delivering our services and corporate functions.

Together, this group make up our executive leadership team (see Figure 12) and lead the business via Executive Service boards, Enterprise boards, Transition and Transformation boards – and together as a consolidated leadership team.

**Figure 12:** Leadership team and executive board structure




Subject-specific committees report to each of these boards, providing assurance on the effectiveness of the risk management and internal control frameworks that underpin regular monitoring, evaluation and review, in line with the boards' respective areas of responsibility.

## NHSBSA board

As highlighted in the Directors' report, the 2025/26 board membership comprised of a Non-Executive Chair, five Non-Executive Directors, the Chief Executive and five Executive Directors, including the Chief Finance Officer. The board met on nine occasions during the 2025/26 financial year. A detailed record of members' attendance is provided in Table 16.

### Board – 2025/26 responsibilities and key areas of work

Our board's terms of reference is available on our website at this link: www.nhsbsa.nhs.uk/our-policies/governance-framework/nhsbsa-board-terms-reference-and-matters-reserved-board-incorporating-standing-orders

**Key responsibilities**

- Strategy, business plans and budgets, including:
  - reviewing and approving: the NHSBSA strategy, business plan and budgets
- Finance and performance monitoring, including:
  - appraisal of overall business performance and the financial position, including the delivery of the NHSBSA Strategy and Business Plan
- Regulation and control, including:
  - approval of Standing Financial Instructions, Scheme of Delegation, and terms of reference of board committees
  - reviewing the board and Senior Staff Register of Interests
  - reviewing and approving any matters that DHSC (or other government or regulatory authority) requires our board to approve
  - approval and oversight of audit arrangements
  - receive and review updates from board committees
- Appointments, including:
  - appointing members of board committees
  - the Chair and non-officer members only – appointing (with the Secretary of State's approval), disciplining and dismissing, as appropriate, the Chief Executive
  - the Chair, non-officer members, and the Chief Executive only – appointing and dismissing, as appropriate, officer members of the board
- Approval of annual report and accounts, including:
  - approval of the NHSBSA Annual Report and Accounts and the NHS Pension Scheme Annual Report and Accounts

Aligned to the key responsibilities listed above, the board receives the Chief Executive's Business Performance Report providing a full business performance update at each meeting. This includes operational service KPI delivery, progress against Strategic Goals, change portfolio delivery and benefits, DDaT and People KPIs, and the Corporate Risk Register.

The performance data presented to the board is produced and quality assured in line with the six dimensions of data quality (completeness, validity, consistency, accuracy, uniqueness and timeliness). A Finance Report is also presented at each meeting.

A forward agenda of standing and scheduled items is maintained to ensure that matters within the board's remit are planned in advance and considered systematically. This enables key issues to be appropriately noted, reviewed and, where required, approved over the course of the annual meeting cycle.

2025/26 key areas of focus (in addition to the standing and regular items listed above) were as follows:

- **NHS Pensions Service** – key priorities and challenges within the NHS Pensions Service, including BAU service delivery, delivery of the McCloud remedy and Pensions Service Transformation
- **Future NHS Workforce Solution transformation** – programme delivery including transition of the live service
- **Workforce efficiency and transformation** – delivery of our Value and Efficiency strategic goal, and associated benefits of delivering high-quality services and products in a cost-effective way
- **Customer experience** – delivery of our Customer Strategic Goal and Business Innovation and Customer Experience Delivery plan

Our Senior Departmental Sponsor, together with other members of the Sponsorship team, attends board meetings on a regular basis. This provides board members, particularly Non-executive Directors, with the opportunity to gain insight into the perspectives and priorities of key stakeholders.

The board receives regular updates from its standing committees (ARC and Remuneration and Nominations Committee) on the business covered, risks identified and actions taken. These updates are delivered by the non-executive chair of the respective committee (see details in this section).

### Board review of effectiveness

The board is required to assess its own effectiveness on a regular basis. This assessment is undertaken annually, with an externally facilitated review conducted every three years.

During 2025/26, the Government Internal Audit Agency (GIAA) carried out the external review of board effectiveness.

The review concluded that the requirements of corporate governance in central government departments: Code of Good Practice (Cabinet Office/HM Treasury), relevant to the NHSBSA, are being met.

GIAA adopted a 'Key Lines of Enquiry' methodology to evaluate board effectiveness across six themes: leadership and culture; board composition; board decision-making; board committees; risk management; and partnership working and stakeholder engagement. The review concluded that arrangements across all themes are being suitably and adequately discharged.

Areas of good practice identified through the review included:

- a balanced and effective board composition
- strong strategic oversight and performance monitoring
- a robust risk management framework
- effective board meetings and decision-making processes
- a clear committee structure with effective reporting
- strong relationships and a collaborative organisational culture

In the spirit of continuous improvement, GIAA also identified opportunities to further develop board effectiveness, particularly in relation to meeting and board paper efficiency and continued strategic effectiveness as the NHSBSA continues to evolve. The board has agreed actions to address these areas and will continue to monitor effectiveness over the coming year, with regular review of progress against agreed actions.

## ARC

The ARC comprised of three non-executive Directors during 2025/26, one of whom served as Committee Chair. The Chair met the requirement for at least one committee member to have recent and relevant financial experience. The committee met on seven occasions during the year ended 31 March 2026. A detailed record of members' attendance is set out in Table 16.

The Chief Finance Officer and representatives from both Internal Audit and External Audit attend meetings on a regular basis. The Chief Executive, in their capacity as Accounting Officer, also attends meetings, including for the consideration of assurance arrangements supporting the preparation of the Annual Report and Accounts. Other members of staff attend as required, depending on the matters under consideration.

### ARC – responsibilities and key areas of work 2025/26

ARC's terms of reference are available on our website at www.nhsbsa.nhs.uk/our-policies/governance-framework/audit-and-risk-management-committee-terms-reference

#### Key responsibilities

- Governance, Risk Management and Control, including:
  - providing our board with an independent and objective review of the adequacy and effectiveness of our Assurance Framework (the framework of governance, risk management, controls and related assurances).
- Internal audit, including:
  - providing assurance to the board that an effective Internal Audit function is established at an appropriate fee that meets mandatory standards and provides appropriate independent assurance to the committee.
- External audit, including:
  - discussing and providing input for the External Audit Planning Report with the external auditors before the commencement of the audit, and where appropriate ensure co-ordination with other external auditors in the system.
  - reviewing external audit reports, including annual audit letters and management's responses.
- Finance, including:
  - reviewing the Annual Report and Financial Statements (NHSBSA Administration and NHS Pension Scheme) before submission to the board, challenging assumptions and judgements made during their compilation.

Aligned to the key responsibilities listed above, the committee receives reports at each meeting covering Risk Management, Internal Audit and External Audit.

A forward agenda of standing and scheduled items is maintained to ensure that matters within the committee's remit are planned in advance and considered systematically. This enables key issues to be appropriately noted, reviewed and where required, approved or escalated to the board over the course of the annual meeting cycle.

The committee receives an annual review of our RMF which concluded that the framework was effective and fit-for-purpose.

2025/26 key areas of focus (in addition to the standing and regular items listed above) were as follows:

- **McCloud programme** – delivery of the programme and operational readiness
- **Quality Assurance in Operational Services (including an NHS Pensions area of focus)** – quality assurance measures and control employed across services to achieve accurate financial outcomes for our service users, as well as to ensure performance against quantitative metrics
- **Technical debt** – programme of work and activity, including technical debt governance and programme milestone review
- **NHS Pensions Service** – first awards delivery challenges, recovery plan, enhanced reporting and next steps
- **Risk management evolution and enhancement** – benchmarking and delivery plan to further evolve and enhance the NHSBSA Risk Management Policy and processes
- **TDS** – programme delivery including alignment to ongoing DCR
- **NHSBSA Change Portfolio** – delivery of the change portfolio and governance, risks and issues, external assurance reviews and Government Functional Standard Compliance
- **Adult Social Care Learning and Development Support Scheme** – Delivery and oversight of fraud controls within the service

Updates are provided to the board following each meeting and subsequent board meetings receive copies of the minutes. An Annual Report is submitted to the board which summarises the work undertaken by the committee during the previous year.

**ARC review of effectiveness**

The committee undertakes an annual review of its effectiveness in line with HMT's Audit Committee Handbook, using the supporting assessment tool published by the Government Internal Audit Agency (GIAA). The effectiveness survey was issued to all committee members and regular attendees.

The 2025/26 review results were highly positive and confirmed that the committee continued to operate effectively and in accordance with good practice.

As a result of the review, the committee has identified several areas of focus in 2026/27, including the continued provision of relevant training for members and updating the Committee Forward Agenda to include more frequent reviews of the NHSBSA Assurance Map.

## Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprised three non-executive directors during 2025/26, one of whom served as Committee Chair. The committee met on four occasions during the year ended 31 March 2026. A detailed record of members' attendance is set out in Table 16.

### Remuneration and Nominations Committee – responsibilities and key areas of work 2025/26

The Remuneration and Nominations Committee's terms of reference is available on our website – www.nhsbsa.nhs.uk/our-policies/governance-framework/remuneration-and-nominations-committee-terms-reference

**Key responsibilities**

- Remuneration and Terms of Service, including:
  - in line with the NHS Executive and Senior Managers (ESM) Pay Framework and other relevant guidance issued by DHSC, determining the remuneration and other contractual arrangements for ESM posts.
  - ensuring adequate arrangements are in place for the Chair of the board to evaluate the performance of the Chief Executive and for the Chief Executive to evaluate the performance of ESM posts.
  - ensuring appropriate details of board members' remuneration, and other benefits are accurately published in the Annual Report.
- Nominations
  - reviewing and making recommendations to the board regarding any changes to the structure, size and composition (including the skills, knowledge, experience and diversity) of the board, both executive and non-executive, to ensure the continued ability of the organisation to deliver its strategic objectives.
  - reviewing succession planning arrangements to ensure a stable, experienced and viable team is in place at executive level.

Aligned to the key responsibilities listed above, the committee receives reports at each meeting covering board structure, size and composition, and business strategy and structure.

A forward agenda of standing and scheduled items is maintained to ensure that matters within the committee's remit are planned in advance and considered systematically. This enables key issues to be appropriately noted, reviewed and, where required, approved or escalated to the board over the course of the annual meeting cycle.

2025/26 key areas of focus (in addition to the standing and regular items listed above) were as follows:

- **NHSBSA operating model** – redesign of our operating model and ways of working to drive further leadership effectiveness, capacity, capability, succession and diversity.
- **Board and leadership team succession** – strengthening and regularly reviewing senior succession plans to ensure we maintain the right balance of skills, experience and leadership capability, both now and for the future.
- **Talent and development** – developing future senior leadership and skills, integrating talent management with wider work to support organisational development.
- **Diversity and inclusion** – developing and evolving a range of interventions to support and develop our diverse workforce at all levels, including the senior leadership community.

Updates are provided to the board following each meeting, and subsequent board meetings receive copies of the minutes.

### Remuneration and Nominations Committee effectiveness review

The committee undertakes an annual review of its effectiveness. The 2025/26 effectiveness survey was issued to all committee members and regular attendees.

The review's results were highly positive and confirmed that the committee continued to operate effectively and in accordance with recognised good practice.

As a result of the review, the committee agreed to further develop the information provided to it in relation to senior leadership performance and development.

The committee will also continue to ensure that papers submitted for their consideration clearly highlight all relevant policy implications.

**Table 16: NHSBSA board and committee attendance 2025/26**

| Name | Role | NHSBSA board | Audit and Risk Management Committee | Remuneration and Nominations Committee |
|---|---|---|---|---|
| | | Nine meetings in total | Seven meetings in total | Four meetings in total |
| **Non-executives** | | | | |
| Sue Douthwaite | Non-executive NHSBSA Chair | 9/9 | 6/7 | 4/4 |
| Kathryn Gillatt | Non-executive ARC Chair | 8/9 | 7/7 | |
| David Leather | Non-executive ARC member | 7/9 | 7/7 | |
| Mathew McKie | Non-executive ARC member | 8/9 | 7/7 | |
| Randeep Sidhu | Non-executive Remuneration and Nominations Committee member | 8/9 | | 4/4 |
| Mel Tomlin | Non-executive Remuneration and Nominations Committee Chair and Senior Independent Director | 9/9 | | 4/4 |

| Name | Role | NHSBSA board | Audit and Risk Management Committee | Remuneration and Nominations Committee |
|---|---|---|---|---|
| | | Nine meetings in total | Seven meetings in total | Four meetings in total |
| **Executives** | | | | |
| Michael Brodie | Chief Executive | 9/9 | 6/7 | 4/4 |
| Brendan Brown | Chief Operating Officer | 9/9 | | |
| Darren Curry | Chief Digital, Data and Technology Officer | 7/9 | | |
| Mark Dibble | Chief People Officer | 8/9 | 7/7 | 3/4 |
| Andy McKinlay | Chief Finance Officer | 9/9 | 7/7 | |
| Allison Newell (until 31 May 2026) | Chief Strategy Officer | 6/9 | | |
| **Associate non-executives** | | | | |
| Karen Finlayson (from 15 January 2026) | Associate non-executive | 2/3 | 2/2 | |
| Chris Knight (from 12 September 2025) | Associate non-executive | 6/6 | 3/4 | |

Note: Details of our policy on the declaration and management of interests are included in the Directors' Report.

## Key governance systems

### Risk management

Our approach to risk management aligns with the five principles set out in HMT's Orange Book – Management of Risk: Principles and Concepts. Our framework takes a comprehensive and holistic view, ensuring risks are identified, assessed, managed, and monitored effectively across the organisation.

### Orange Book principle compliance

As a public sector organisation, we are required to either comply with or explain any departures from the five key principles of the Orange Book. We have assessed our risk management arrangements against the Orange Book, and the assessment confirms compliance with its core principles. Specifically:

- **Governance and leadership** – risk management is embedded within our new leadership operating model and governance structure, providing clear decision making at all levels

- **Integration** – risk management informs strategic planning, operational decisions, and daily business activities. For example, Risk Appetite Evaluation has been incorporated into the templates of all cover papers to our board and ARC
- **Collaboration** – our approach is underpinned by cross-functional collaboration and informed by the best available data and expertise
- **Continuous Improvement** – We actively learn from experience to refine our risk management practices
- **Risk Management Processes** – During Q1 and Q2 of 2026/27 we are transitioning, under the governance of our Governance Risk and Assurance (GRA) Enterprise board, from corporate to principal risks as part of our continual evolution and maturing of risk management

## Risk culture

Our risk culture aligns with HMT's Orange Book, our strategy and our values. It promotes early identification of risk, informed decision-making and collective accountability. Through shared learning, training and continuous improvement, we strengthen how risk is understood and managed across the organisation.

### Focus areas for maturity and improvement

As part of our commitment to advancing a strong risk culture that enables informed decision-making, we have identified three key areas for further improvement:

- **Emerging risk** – implementing a more structured approach to identifying, assessing and overseeing emerging risks. Emerging risks will be reviewed through leadership challenge, with ongoing monitoring and reporting to the leadership team and ARC. Further details are included in the Performance Analysis section.
- **Risk data** – continuing to improve the quality and integration of risk data across the NHSBSA to enhance analysis, reporting, and responsiveness.
- **Functional standards** – further embedding government functional standards into our risk management environment.

## Risk framework and oversight

### RMF

RMF is the guiding structure that integrates risk management into all levels of the organisation. It includes policy, strategic, operational, transactional, financial, and fiduciary risks, ensuring they are managed in a coordinated and integrated manner with consideration for interdependencies and their impact on the enterprise.

The Risk Management Group completed its annual review of the NHSBSA RMF in April 2025. The updated framework was presented to ARC at the June 2025 meeting to ensure it remained aligned with strategic priorities and operational delivery.

The updated framework was in place throughout the financial year and remains effective up to the date of this Annual Report and Accounts. A comprehensive review is scheduled during 2026/27 to ensure continued alignment with our evolving objectives.

Our RMF comprises:

- risk management policy
- risk management methodology
- risk and issue register

These are applied across our organisation, with risks and issues escalated up the hierarchy as dictated by our policy. These tiers consist of:

- **Services and corporate teams** – Risks and issues are managed on an ongoing basis as part of BAU, with registers owned and managed by the Head of Service
- **Project and programme level** – Project managers review and manage risks as part of project governance. Significant risks are escalated to the service board if part of a sub-portfolio, or the programme board (if part of a programme). Risks can also be escalated to portfolio-level and portfolio board
- **Corporate level** – The leadership team formally reviews the corporate risk register on a quarterly basis. These reviews are informed by consolidated risk registers from teams and projects, together with a summary paper provided by our Risk Management Group. The leadership team may also identify and record new risks and issues as part of this process. In addition, each Executive Risk Owner undertakes ongoing review and management of the risks within their individual remit

In a dynamic and complex business environment significant risks can often be encountered. Risks are defined as uncertain events that, should they occur, would affect the achievement of objectives. Issues are defined as events that are in progress, which could be the realisation of a risk.

Risk and issue escalations (of any severity) are highlighted to our Service Boards via the Performance Report compiled by the Strategy Business Development Performance and Growth directorate.

### NHSBSA board

The board receives risk management updates and assurance reports from the ARC following each meeting. The board considers and reviews the corporate risk register at each of its meetings, alongside periodic deep dive items.

### Risk appetite

We define our risk appetite as the level and type of risk the organisation is willing to accept in pursuit of its strategic objectives. This is a fundamental component of our governance and decision-making, ensuring risks are taken in a controlled, proportionate, and transparent manner that aligns with public value and accountability.

The structural elements of our risk appetite framework continue to align with HMT's Orange Book (last updated June 2025) and the Government Finance Function (GFF) Risk Appetite Guidance Note (last updated August 2021).

The 2025/26 Risk Appetite Statement, reviewed and reaffirmed by the board in July 2025 and October 2025, used the following five levels of risk appetite:

- **Eager** – ready to take difficult decisions when benefits outweigh risks
- **Open** – receptive to taking difficult decisions when benefits outweigh risks
- **Cautious** – willing to consider actions where benefits outweigh risks
- **Minimal** – willing to consider low risk actions which support delivery of priorities and objectives
- **Averse** – avoid actions with associated risk

In June 2026, our board completed the annual review of our risk appetite in alignment with the 2024-2029 NHSBSA Strategy and associated Corporate Business Plans.

## ARC

The committee monitors risk management activities, receives and reviews the corporate risk register, and reviews specific risk areas. This enables the committee to assure the board that risk management processes and mitigation efforts are in place.

The ARC is accountable for operationalising our risk management and processes, ensuring they are effective, resilient, comprehensive and aligned with strategic objectives, with oversight provided by the board.

The ARC reviews the assurance mapping process at least annually. Leadership team members are responsible for ensuring their maps are up-to-date for their areas of responsibility.

## Assurance arrangements

The NHSBSA Assurance Map continues to operate in accordance with the 'Three Lines Model' and has been redesigned to reflect the revised organisational structure and enable greater maturity in assessing both assurance ratings and reliance. Our assurance map and movement towards a monthly update and reporting cycle ensures that risks are managed at the appropriate level:

- The first line 'Own and Operate' – comprises individuals responsible for identifying, assessing, managing, and owning risks and controls within their business areas and support functions
- The second line 'Guide, Support and Challenge' – functional oversight and governance systems – oversees the implementation of risk management practices and includes the Risk Team, along with risk policy owners and managers
- The third line 'Independent Assurance' – provides independent review and regulatory oversight. A key source is the internal audit function, which is independent of day-to-day operations and reports to the ARC on the effectiveness of the overall RMF and control environment

The leadership team uses this model to determine where assurance efforts should be focused. The assurance map is fully integrated with the risk management process with areas of concern being reflected in the relevant business area risk.

The ARC has continued a programme of areas of focus exercises, aligned to key risk areas, to assure itself on behalf of the board (as listed above).

## Third party assurance (ISAE 3000/3402)

We provide services to the wider health system, including making dental, prescription, vaccine and student bursary payments on behalf of our clients, as well as the management of ESR.

To give users of the services greater assurance about the quality of our infrastructure, auditors are engaged to review controls and deliver an independent third-party opinion of their design and operating effectiveness, resulting in the production of ISAE 3000/3402 reports. Unqualified opinions were received for all areas audited in 2025/26.

## Managing information

During 2025/26, we have maintained our approach to handling information efficiently and securely. Each year, we undertake the NHS-wide Data Security and Protection Toolkit (DSPT) assessment which is based on the National Cyber Security Centre's Cyber Assessment Framework (CAF).

Our DSPT-CAF baseline submission was published in December 2025 in line with the mandated deadline, and we are currently preparing for our mandatory independent audit which is scheduled for May 2026.

Oversight of issues relating to information security is provided by the Governance, Risk and Assurance board. The Chief DDaT Officer holds the position of Senior Information Risk Owner (SIRO). The SIRO's remit is to take ownership of our information security policy, act as advocate for information risk to the board and provide written advice to the Accounting Officer on the content of the annual governance statement regarding information risk. Frequent compliance updates are provided to ARC and to our board.

## Personal Data Related Incidents

Since 25 May 2018, under the UK General Data Protection Regulation and the Data Protection Act 2018, there has been a mandatory requirement to report any personal data breach where there is a risk to the rights and freedoms of the affected data subjects.

Two personal data breaches met the threshold for mandatory reporting and were therefore reported to the ICO. In both instances, the ICO confirmed that they were content with the actions taken by us to contain and manage the incidents and closed the matters without the need for further investigation.

## Data protection and freedom of information (FOI)

All Data Subject Rights Requests are handled in line with UK data protection legislation and responded to within the statutory timeframe, normally one calendar month. We are also subject to the FOI Act 2000, under which requests are normally answered within 20 working days.

During 2025/26, we handled 1,006 Data Subject Rights Requests, a 6% increase on the previous year, with all but 30 completed within the required timeframe. We also received 816 FOI requests, a 20% increase, with all but 23 responded to on time.

The causes of these exceptions have been identified and addressed, with no emerging trends of concern.

## Counter fraud, bribery and corruption

We have solid counter fraud foundations in place which is evident in the positive assessment by the Public Sector Fraud Authority (PSFA) against the Government Functional Standard for Counter Fraud. Whilst controls are continually monitored and evolved to improve, there are some areas of the organisation where controls could be improved, and work is actively underway to support this. The NHSBSA appetite to prioritise fraud, error and loss work continues to increase.

During 2025/26, we reviewed our counter fraud, bribery and corruption policies and processes. These policies apply to all our employees, suppliers, and contractors, and cover relevant legislation and individual responsibilities. We mandate completion of our counter fraud, bribery, and corruption eLearning module and our Loss and Fraud Prevention (LFP) team deliver a rolling programme of awareness sessions, both face-to-face and virtuality covering topics including identifying false documents, reporting suspected fraud, bribery and corruption and protecting self and loved ones.

We have an Enterprise Fraud Risk Assessment (EFRA) process and have produced over forty individual full Fraud Risk Assessments (FRAs) since February 2020 for workstreams and services. During 2025/26, FRAs were reviewed and control testing undertaken to determine the effectiveness of controls. This has resulted

in the LFP team producing three prevention methodologies which were approved by the PSFA Prevention Panel and are now being reported against. We continue to participate in the National Fraud Initiative and explore data sharing opportunities to detect fraud, bribery and corruption, and error losses at the earliest opportunity.

During 2025/26, the LFP team continued to received reports of suspected fraud, bribery and corruption and undertake disruption activities.

The LFP team have produced their 2026/27 Annual Action Plan and Outcome Based Metrics activities which will focus on using data science driven analytical activities to detect fraud in a timely manner, create and implement AI-driven verification tools to prevent fraud from entering the system. We continue to monitor and review FRAs and ensure we are responding to themes we identified in our EFRA.

## Clinical governance

Clinical governance establishes the systems and processes to provide assurance and accountability for quality, safety and continuous improvement of services delivered in the health and care system and consumed by patients. Whilst safety in healthcare is everyone's business, there is an enhanced responsibility on registered healthcare professionals to demonstrate their commitment in service delivery to clinical governance.

We develop and deliver services that impact and interface with patients and their care. Healthcare professionals, employed by us or through third party partners, support the delivery of services. Therefore, we must demonstrate our commitment to, and accountability for, clinical governance to maintain confidence in the organisation and the services it delivers in the system.

Our clinical governance framework sets out our monitoring, reporting and assurance policies and procedures. This includes:

- internal clinical governance which focuses on assurance of the clinical governance of our internal clinician teams
- clinical risk management and patient safety which identifies and manages risks, issues or incidents of harm to patients from NHSBSA systems and services
- clinical governance policies and processes
- NHSBSA as a designated body

Oversight is provided via the Clinical Governance Oversight Committee and the ARC.

## Freedom to Speak Up (whistleblowing)

During 2025/26, we continued to embed and strengthen our Freedom to Speak Up (FTSU) arrangements, supporting an open and transparent culture in which colleagues feel safe to raise concerns. A FTSU policy, aligned to NHSE's national policy, remains in place, supported by a dedicated strategy and improvement plan, training and awareness activity, and clearly defined roles.

The FTSU Guardian role is supported by executive (Mark Dibble) and non-executive (Mel Tomlin) sponsors. In addition, a network of FTSU Champions operates across the organisation, comprising colleagues from a diverse range of backgrounds, locations and services, helping to promote awareness and confidence in speaking up.

FTSU arrangements oversight is provided through a dedicated FTSU committee, enabling cross-organisational engagement and triangulation of insight from across the business. Regular reports are provided to the board in line with National Guardian's Office guidance.

We undertake an annual review of our FTSU policy in accordance with the National Guardian's Office Policy Review Framework. The policy is also reviewed annually by ARC to provide independent assurance that it remains effective and compliant with national requirements. The most recent review concluded that the policy and associated arrangements were effective and fit for purpose.

During the year, a total of 23 concerns were raised with the FTSU Guardian. Alongside addressing individual concerns in line with the policy, organisational learning was identified, resulting in improvements to security procedures and clarity within People policies.

### Business critical models

The NHSBSA has identified six business critical models which are used for forecasting, published by DHSC – www.gov.uk/government/publications/business-critical-models-for-department-of-health-and-social-care/business-critical-models-for-department-of-health-and-social-care-and-its-arms-length-bodies#nhs-business-services-authority

Work is underway to develop and document quality assurance processes consistent with HMT Analytical Quality Assurance (AQuA) Book principles and enhance oversight through a new analytical governance framework.

### Health inequalities

The Health and Social Care Act 2012 legally requires the Secretary of State for Health to have regard for the need to reduce health inequalities. As a Special Health Authority, we support the Secretary of State in delivering these functions as far as our functions allow. Our main contribution to reducing health inequalities is through the provision of population health data and insight to DHSC and other NHS organisations. Questions on health inequalities are included in our wellbeing and inclusion analysis tool which assesses the impact of any policy and service changes we make.

## 2025/26 Head of Internal Audit opinion

In accordance with the Global Internal Audit Standards for the UK Public Sector, the Head of Internal Audit provides an annual opinion on the adequacy and effectiveness of the NHSBSA's arrangements for governance, risk management and internal control. This opinion informs, but does not replace, the Accounting Officer's overall responsibility for the system of internal control.

For the year ended 31 March 2026, the Head of Internal Audit has provided an **overall moderate assurance opinion**, consistent with 2024/25. A moderate assurance is defined as 'Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control' and is the second highest rating available. This reflects internal audit work completed during the year, which was delivered in line with the agreed audit plan, alongside consideration of assurance provided by other internal and external sources.

Internal audit completed all planned risk-based reviews, with the majority providing moderate assurance, some providing substantial assurance (the highest available rating, defined as 'The framework of governance, risk management and control is adequate and effective') and no limited or unsatisfactory opinions (which would indicate significant weaknesses in the control environment). The level and prioritisation of recommendations indicate a generally sound control environment, with opportunities identified for further strengthening.

The opinion has been informed by work structured around the HM Treasury Risk Control Framework and supported by the organisation's established assurance mapping, including reliance on independent assurance reports where appropriate.

Internal audit work identified the following themes:

- generally effective governance, risk management and control frameworks, supported by clear structures, processes and assurance arrangements
- in some isolated areas, opportunities to strengthen the consistency and timeliness of risk identification, documentation and decision-making records
- the need to continue to address reliance on some legacy systems and manual processes, and to enhance standardisation and automation
- the importance of maintaining capability, capacity and training to support delivery, alongside strengthening some aspects of supplier assurance

Management has accepted the recommendations arising from internal audit work and actions are in place to address these areas.

Overall, the Head of Internal Audit's opinion supports the Accounting Officer's assessment that the NHSBSA has a **sound system of internal control**, with some areas identified for improvement.

## Compliance with corporate governance code

We comply with the corporate governance in central government departments: code of good practice where it applies.

## Accounting Officer's review of effectiveness

As Accounting Officer, I have reviewed the effectiveness of our system of governance, risk management and internal control for the year ended 31 March 2026 and up to the date of approval of the Annual Report and Accounts.

My review has been informed by a structured programme of assurance and evidence, including:

- the work of the board and its committees, in particular the ARC, which provides oversight of the effectiveness of governance arrangements, internal control, and risk management and reports regularly to the board
- the Head of Internal Audit's annual opinion, which concluded that moderate assurance can be provided that adequate and effective arrangements were in place during the year
- reports and findings from external audit and the organisation's progress in implementing agreed recommendations
- the work of the counter fraud team in preventing, detecting and investigating fraud, bribery and corruption, with reporting and oversight through ARC
- management assurance processes, including performance reporting, risk registers, compliance frameworks, and the operation of policies and controls across the organisation

An independent review of NHSBSA's capacity and capability to deliver the McCloud Remedy was commissioned by the Minister of State, Karin Smyth, to provide assurance over the robustness of programme delivery and to support continued confidence in the organisation's ability to deliver this complex and high-profile work.

The review, undertaken by the Independent Assurance Team (IAT), considered key aspects of delivery including governance, resourcing and programme controls.

NHSBSA fully supported the review, working closely with the IAT and engaging openly throughout, with the shared aim of identifying opportunities for continuous improvement within the programme. The organisation will consider the review's recommendations as part of the ongoing programme to further strengthen delivery and support the successful implementation of the McCloud Remedy.

No significant governance or control weaknesses or issues were identified during the year that required disclosure in this Governance Statement, with the exception of the Pensions-related matters set out above.

## Conclusion

Based on the review undertaken, and the assurance received from the sources outlined above, I am satisfied that the NHSBSA has maintained an effective system of governance, risk management and internal control that supports the achievement of its objectives and the safeguarding of public funds during 2025/26.

The assurance framework provides me with confidence that key risks have been identified, assessed and managed appropriately, and that arrangements are in place to support continuous improvement in governance and control. Where opportunities for enhancement have been identified, actions are in place and progress is monitored through the board and its committees.

# 2.2 Remuneration and staff report

## 2.2.1 Remuneration report

### Remuneration policy

The Remuneration and Nominations Committee determine the remuneration and other contractual arrangements for ESM posts (Chief Executive and executive directors and other posts that are specifically designated by the board to be within their purview). This is in line with the ESM pay framework and other relevant guidance issued by DHSC.

The committee reviews the remuneration of executive directors at least annually and considers recommendations from the Senior Salaries Review Body, central DHSC guidance and other relevant factors.

The Secretary of State for Health and Social Care appoints non-executive directors to the NHSBSA board for a fixed term, with remuneration for the tenure of non-executive directors also determined by the Secretary of State for Health and Social Care.

### Board member emoluments

The 2025/26 remuneration of all directors in post is detailed in the tables on the following pages. These identify the salary, other payments and allowances and pension benefits applicable to both executives and non-executives.

## Non-executive directors

Table 17 sets out details of payments made and appointment term details for the Chair and non-executive members.

*Subject to audit*

**Table 17: Non-executive director remuneration**

| Name and title | 2025/26 | | | | | | 2024/25 | | | | | | Date of appointment/ re-appointment | Appointment ends |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | Salary (bands of £5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| **S Douthwaite**<br>Chair | 60-65 | 7.5 | 0 | 0 | 0 | 70-75 | 60-65 | 5.4 | 0 | 0 | 0 | 65-70 | 1 Apr 2022<br>1 Apr 2025 | 31 Mar 2025<br>31 Mar 2028 |
| **K Gillatt**<br>Non-Executive Director, and Chair of Audit and Risk Management Committee | 10-15 | 3.9 | 0 | 0 | 0 | 15-20 | 10-15 | 5.1 | 0 | 0 | 0 | 15-20 | 1 Oct 2020<br>1 Oct 2023 | 30 Sep 2023<br>30 Sep 2026 |
| **M Tomlin**<br>Non-Executive Director Senior Independent Director and Chair of Remuneration and Nominations Committee | 5-10 | 2.4 | 0 | 0 | 0 | 10-15 | 5-10 | 3.8 | 0 | 0 | 0 | 10-15 | 1 Apr 2021<br>1 Apr 2024 | 31 Mar 2024<br>31 Mar 2027 |
| **D Leather**<br>Non-Executive Director | 5-10 | 5.4 | 0 | 0 | 0 | 10-15 | 5-10 | 2.3 | 0 | 0 | 0 | 10-15 | 7 Dec 2023 | 6 Dec 2026 |
| **M McKie**<br>Non-Executive Director | 5-10 | 3.3 | 0 | 0 | 0 | 10-15 | 5-10 | 2.2 | 0 | 0 | 0 | 10-15 | 7 Dec 2023 | 6 Dec 2026 |
| **R Sidhu**<br>Non-Executive Director | 5-10 | 3.2 | 0 | 0 | 0 | 10-15 | 5-10 | 2.8 | 0 | 0 | 0 | 10-15 | 7 Dec 2023 | 6 Dec 2026 |

## Senior manager remuneration

Table 18 sets out the details of payments made and appointment term details for the Chief Executive and senior managers.

*Subject to audit*

**Table 18: Senior manager remuneration**

| Name and title | 2025/26 | | | | | | 2024/25 | | | | | | Date of appointment/ re-appointment | Appointment ends |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of (£5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | Salary (bands of (£5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| **M Brodie**<br>Chief Executive | 175-180[1] | 4.6[1] | 0 | 0 | 50[2] | 230-235 | 180-185 | 2.2[1] | 0 | 0 | 49[2] | 230-235 | 1 Sep 2019 | Permanent contract (6 months' notice) |
| **M Dibble**<br>Chief People Officer | 125-130[1] | 4.9[1] | 0 | 0 | 17[2] | 145-150 | 130-135 | 1.4[1] | 0 | 0 | 19[2] | 150-155 | 1 Sep 2017 | Permanent contract (6 months' notice) |
| **A Newell**<br>Chief Strategy Officer | 140-145 | 0 | 0 | 0 | 42 | 180-185 | 145-150 | 0 | 0 | 0 | 38 | 180-185 | 16 Apr 2018 | Permanent contract (6 months' notice) |
| **A McKinlay**<br>Chief Finance Officer | 130-135[1] | 1.6[1] | 5-10[3] | 0 | 38 | 175-180 | 140-45 | 1.1[1] | 0 | 0 | 39 | 180-185 | 9 Apr 2018 | Permanent contract (6 months' notice) |
| **B Brown**<br>Chief Operating Officer | 115-120[1] | 6.3[1] | 0 | 0 | 0 | 120-125 | 110-115 | 2.9[1] | 5-10 | 0 | 0 | 120-125 | 1 Sep 2022 | Permanent contract (6 months' notice) |

| Name and title | 2025/26 | | | | | | 2024/25 | | | | | | Date of appointment/ re-appointment | Appointment ends |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of (£5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | Salary (bands of (£5,000) | Expense payments (taxable) total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonuses (bands of £5000) | All pension-related benefits (to the nearest £1,000) | TOTAL (bands of £5,000) | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| **D Curry**<br>Chief Digital, Data and Technology Officer | 125-130[1] | 3.4[1] | 5-10[3] | 0 | 19[2] | 155-160 | 135-140 | 1.7[1] | 5-10 | 0 | 0 | 140-145 | 1 Sep 2022 | Permanent contract (6 months' notice) |

1. Staff have the option to sacrifice part of their salary in return for the use of a lease car and/or to purchase home and electronics products. Where Senior Managers have taken up this option, this has been netted off their salary disclosed above. Prior to this sacrifice, the full year equivalent salaries of the senior managers were in the following bands: M Brodie £190-195,000, M Dibble £140-145,000, A McKinlay £140-145,000, B Brown £135-140,000 and D Curry £140-145,000. The taxable benefit of the lease cars and products provided to senior managers is disclosed in the expense payments column where indicated.

2. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the 1995/2008 scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the 2015 scheme for the period from 1 April 2015 to 31 March 2022.

3. Bonus payments – DHSC guidance makes provision for a non-consolidated performance related bonus. This is approved by the NHSBSA Remuneration and Nominations Committee.

## Fair pay *(subject to audit)*

The percentage change in total salary for the highest paid director and the staff average from the previous year to the current year is as shown in table 19:

| Table 19: Percentage change in salary | 2025/26 | 2024/25 |
|---|---|---|
| Highest paid director | 0.0% | 2.7% |
| Staff average | 5.5% | 6.1% |

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/member in their organisation, against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in 2025/26 was £190,000 – £195,000 (2024/25: £190,000 – £195,000). The relationship to the remuneration of the organisation's workforce is disclosed in Table 20. The range of staff remuneration was £20,000-£25,000 to £190,000-£195,000.

In 2025/26, no employees received remuneration in excess of the highest paid director. This was also the case in 2024/25.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the Cash Equivalent Transfer Value (CETV) of pensions. There is no difference between the 25th percentile, median, and 75th percentile total remuneration figures and the salary component of total remuneration at each percentile.

| Table 20: Pay ratios | 2025/26 | 2024/25 |
|---|---|---|
| Band of highest paid director's total remuneration (£000) | 190-195 | 190-195 |
| 25th percentile total (£) | 26,598 | 24,071 |
| 25th percentile ratio | 7.2 | 8.0 |
| Median total (£) | 27,485 | 26,530 |
| Median ratio | 7.0 | 7.3 |
| 75th percentile total (£) | 40,823 | 37,338 |
| 75th percentile ratio | 4.7 | 5.2 |

The pay ratios have reduced as the highest paid director's pay did not increase, while staff pay was increased. Reductions in the ratios at the 25th percentile and 75th percentile are larger, as the percentiles moved up a step, in Bands 3 and 6 respectively, from where they were last year. The median remained on the same step in Band 4 as last year.

## Pensions benefits

Table 21 sets out the Chief Executive and senior managers' pension benefits:

*Subject to audit*

**Table 21: Pension benefits of senior managers**

| Name and title | Real increase in pension at pension age (bands of £2,500) | Real increase in pension lump sum at pension age (bands of £2,500) | Total accrued pension at pension age at 31 March 2026 (bands of £5,000) | Lump sum at pension age related to accrued pension at 31 March 2026 (bands of £5,000) | Cash Equivalent Transfer Value at 31 March 2026 | Cash Equivalent Transfer Value at 31 March 2025 | Real increase in Cash Equivalent Transfer Value |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **M Brodie**[1] Chief Executive | 2.5-5 | 0 | 65-70 | 125-130 | 1,458 | 1,357 | 55 |
| **M Dibble**[1] Chief People Officer | 0-2.5 | 0 | 55-60 | 135-140 | 1,329 | 1,264 | 27 |
| **A Newell** Chief Strategy Officer | 2.5-5 | 0 | 20-25 | 0 | 0[3] | 361 | 0[3] |
| **A McKinlay** Chief Finance Officer | 2.5-5 | 0 | 20-25 | 0 | 302 | 256 | 26 |
| **B Brown** Chief Operating Officer | 0[2] | 0 | 0 | 0 | 0 | 0 | 0 |
| **D Curry**[1] Chief Digital, Data and Technology Officer | 0-2.5 | 0 | 35-40 | 80-85 | 712 | 672 | 12 |

1. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the 1995/2008 scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the 2015 scheme for the period from 1 April 2015 to 31 March 2022.

2. B Brown is not a member of the NHS Pension Scheme.

3. A Newell is over the normal retirement age for the 2015 Scheme, therefore a CETV calculation is not applicable.

There are no entries in respect of the pensions for non-executive directors as they do not receive pensionable remuneration.

## Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV is calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end period.

## 2.2.2 Staff report

### Our people

Our people are crucial to our overall success and collectively contribute to building a positive culture. We foster an inclusive work environment that promotes engagement and wellbeing as part of our People Promise.

We want our colleagues to be satisfied and fulfilled in their roles, as well as having opportunities for development and progression in their careers, as part of our employee value proposition. Quite simply, we want the NHSBSA to be the best place any of us have worked, where everyone matters and colleagues can contribute, influence and flourish.

To achieve this, we have set three ambitious targets. We will:

- achieve world class levels of workplace engagement
- be a truly inclusive employer where all colleagues feel they belong
- be an employer of choice with appropriate, transparent and wide-ranging opportunities to attract, develop and retain the right people, with the right skills in the right roles

## Equality and diversity in employment and occupation

In 2025/26, we launched a refreshed Diversity, Inclusion and Social Mobility Strategy that builds upon our previous strategy. Under our public sector equality duties, our strategy aims to:

- eliminate unlawful discrimination
- advance equality of opportunity
- foster good relations, through achieving our strategic objectives

Our updated approach brings social mobility into our strategic aims, allowing us to build on the work undertaken so far in this area. We reiterated our commitment to being the most inclusive place our colleagues have worked, and to be an organisation which is representative of our communities, setting a baseline for this which reflects the diversity of society.

Our data shows that we are representative in terms of socio-economic background, gender, ethnicity and sexual orientation generally. We continue to work on achieving this for disability across the workforce and in our leadership communities.

Our objectives focus on attracting diverse candidates through an inclusive approach to recruitment, retaining diverse talent, providing bespoke talent development opportunities targeted at underrepresented groups, building in inclusion to business change, policy and process at the earliest stages, and outreach and engagement.

This approach is underpinned by best practice, ensuring we are evidence-led and data-informed, whilst assessing our standards through external benchmarking such as the enei TIDE award, Carer Confident and Disability Confident accreditations and the Social Mobility Employer Index.

We have undertaken 61 Inclusion Impact Analysis over this year, as part of our Public Sector Equality Duty obligations which allows us to identify and remove or mitigate risks at an early stage, considering any potential impact or consequences that may be experienced by people with protected characteristics. This supports the objectives of eliminating discrimination, providing better access to opportunities and removing barriers to services thereby reducing health inequalities.

We report on progress against our strategy and our regulatory obligations in our Diversity, Inclusion and Social Mobility Annual Report, and our Diversity, Inclusion and Social Mobility Strategy.
www.nhsbsa.nhs.uk/our-policies/diversity-inclusion-and-social-mobility

## Staff policy regarding disabled persons

Our commitment to inclusion is central to our organisation's values and features heavily in both our organisation strategy and our Diversity, Inclusion and Social Mobility Strategy, underpinned by equalities legislation and the public sector equality duty.

Our offer for those with a disability or health condition takes a person-centred and intersectional approach, ensuring that individuals are supported on that basis, to get in to work, and to remain in work, progressing and thriving.

For recruitment we use the guaranteed interview scheme, proactive offer of adjustments and support through the recruitment process and recruiting managers all take a person-centred approach to supporting candidates throughout.

While in employment, colleagues can access a range of support through the workplace. We have a Workplace Adjustments Policy, guidance and signposting, and an Adjustments Passport, which is a key document to enable colleagues and line managers to agree and arrange the supportive tools and adjustments that help colleagues to be their best in the workplace, and a Disability and Neurodiversity Colleague Network which provides peer support and shares experience and input to the organisation, influencing policy and process, service provision, procurements and commercial processes.

We also offer a specific Disability and Neurodivergence Talent Development Programme, to ensure that people can develop and achieve their aspirations, whilst removing barriers to progression.

Building knowledge, understanding and allyship is a crucial aspect of disability inclusion, and we do this through our "Let's Talk About..." training offer which has covered disability, mental health, workplace adjustments and neurodivergence.

We have a bespoke Reciprocal Mentoring for Inclusion Programme, with disability being a key experience in this programme. This helps build knowledge and understanding of both the people involved, which in turn creates empowerment and positive change.

We are a Disability Confident Leader organisation, having revalidated our accreditation to this standard again this year. This is the highest level of accreditation, and our submission is validated by an external organisation for robust assessment.

## Health and safety

During 2025/26, responsibility for health and safety within NHSBSA transitioned to a newly established Safety and Safeguarding Team. This strengthened governance and reinforced the organisation's commitment to providing a safe and healthy working environment for all colleagues.

Our new 2025-2029 Safety, Safeguarding and Wellbeing Strategy was launched which sets out a clear, forward-looking framework for managing risk, embedding best practice, and driving continuous improvement. The integration of safeguarding and wellbeing with health and safety ensures a holistic approach to safety across the organisation including the management of psychological risks.

2025/26 health and safety performance continues to reflect the nature of the organisation's activities and working environments.

Accident and incident rates relating to physical safety remained low and continued to benchmark below sector averages, demonstrating the effectiveness of preventative controls and the positive safety culture. There were 29 incidents reported, including 18 minor injuries (five of which related to homeworking environments), 10 near-miss incidents, and one incident reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013.

All reported incidents were reviewed to identify learning and ensure that controls were strengthened where appropriate to mitigate the risk of recurrence.

Health and safety performance is reported to the leadership team and board, and an annual Safety, Safeguarding and Wellbeing report (www.nhsbsa.nhs.uk/what-we-do/safety-safeguarding-and-wellbeing) is published which summarises progress against our strategy. In addition, our National Joint Health and Safety Consultative Committee oversees performance in this area.

## Employee engagement, consultation and participation

In 2025, we carried out our annual employee engagement survey, which was managed by Best Companies Limited on our behalf. The response rate was 69%, similar to previous years' surveys. While we have maintained our Two Star accreditation (outstanding engagement), our overall results show a slight dip on the Best Companies Index (BCI) from 709.2 in 2024 to 707.2 in 2025.

According to Best Companies, 52% of organisations surveyed during 2025 and 2024 have experienced a decline in the overall BCI score by an average of 23 points. We saw increases in personal growth and wellbeing, and slight decreases in leadership and fair deal (pay and benefits).

We maintain a collaborative and engaging approach to working with our recognised trade unions, Unison and Public and Commercial Services (PCS), and we recognise and ensure openness and constructive dialogue. Through regular engagement and early consultation, we work in partnership with union representatives to address issues, share insights, and work to develop solutions that support both organisational objectives and the wellbeing of our workforce.

Our consultative committees – including the Working in Partnership Committee, National Joint Health and Safety Committee, and Wellbeing and Inclusion Committee – enable effective engagement and consultation with trade unions on key workplace issues.

We also work closely with our lived experience colleague networks to ensure that a broad range of diverse views and experiences help to shape our policy, processes and ultimately our organisation.

## Developing our people

Investing in the growth and potential of our colleagues continues to be a defining part of how we work and what we value, and it remains fundamental to strengthening our organisational performance.

We continue to ensure that development opportunities are open, accessible and meaningful for everyone, with our Virtual Learning Resource Centre providing a flexible way for colleagues to engage in self-directed learning that supports their personal and professional development.

Over the year, we have enhanced and simplified our learning and development offer, making it easier for colleagues to access opportunities such as formal qualifications, coaching and mentoring, and to take ownership of their ongoing development that aligns with their professional and personal needs. This foundation and momentum will continue into 2026/27, as we further strengthen and expand the development opportunities and strong support available to our colleagues.

## Developing our leaders

We have continued to strengthen and evolve our learning and development offer to ensure leaders and managers at every level have the skills, confidence and support they need to lead effectively.

Throughout the year, we have worked closely with our leadership community to shape and refine the programme, ensuring it remains relevant, practical, and in line with our organisational values. This collaborative approach is helping us build leadership capability across the organisation and create the conditions for achieving our strategic ambition of making the NHSBSA the best place any of us has worked.

While we have made meaningful progress, strengthening leadership capability remains a critical enabler of our future success, and the significant increased focus, pace and investment in this area to ensure our leaders are fully equipped to meet the challenges ahead will continue into the next financial year.

## Developing talent

All colleagues can access initiatives that support internal talent, including apprenticeships, shadowing and secondment opportunities, alongside targeted, bespoke support for colleagues who are currently underrepresented at senior levels. Strengthening our appraisal process remains an integral commitment with a focus on identifying colleagues who aspire to progress and develop within the organisation.

In November 2025, we were recognised by Best Companies as the 3rd Best Not-for-Profit organisation to work for in the UK and one of the Top 25 Best Big Companies to Work For, based on our 2024 survey.

We conducted a further colleague engagement survey between November and December 2025, which achieved a 69% response rate. Thanks to the feedback from our colleagues, we maintained our Best Companies two-star accreditation for ‘outstanding commitment to workplace engagement’ for the sixth consecutive year.

In May 2025, we were listed 18th in the Top 50 Inspiring Workplaces and recognised as a top government and not-for-profit organisation at the UK and Ireland Inspiring Workplaces awards. We were also named 78th in their global awards.

## Staff numbers and costs

*Subject to audit*

| Table 22: Staff numbers and related costs – executive members and staff costs | | | | |
|---|---|---|---|---|
| | Total 2025/26 £000 | Permanently employed £000 | Other £000 | Total 2024/25 £000 |
| Salaries and wages | 187,699 | 183,518 | 4,181 | 163,226 |
| Social security costs | 23,030 | 23,030 | 0 | 15,275 |
| Employer contributions to NHS Pensions | 36,308 | 36,308 | 0 | 30,577 |
| Other pensions costs | 564 | 564 | 0 | 603 |
| Termination costs | 565 | 565 | 0 | 13 |
| Apprenticeship levy | 946 | 946 | 0 | 826 |
| **Total** | **249,112** | **244,931** | **4,181** | **210,520** |
| Capitalised staff costs | (2,846) | | | (2,600) |
| | **246,266** | | | **207,920** |

The average full-time equivalent (FTE) staff employed during the year was:

*Subject to audit*

| Table 23: Average numbers of persons employed | | | |
|---|---|---|---|
| Total | Permanently employed | Other | 2024/25 |
| 5,125 | 5,047 | 78 | 4,627 |

The whole-time equivalent number of staff whose cost was capitalised was 43.5 (2024/25: 31).

## Ill health retirements

No members of staff retired due to ill health during 2025/26.

## Gender balance

Table 24 provides details of the number of colleagues by gender at director, senior manager and other employee levels on 31 March 2026.

Our 2024/25 gender pay gap report (based on the snapshot date of 31 March 2025) showed that there was an 8.9% median gender pay gap, 0.1% lower than the previous year. The mean gender pay gap was 12.1%, down by 0.4%. We employ a high number of women in our organisation, including in the lowest pay bands, where we employ significantly more women than men, which influences our gender pay gap.

Our Gender Pay reporting is supported by an action plan, including key actions linked to our Diversity, Inclusion and Social Mobility Strategy, such as increasing representation in senior roles, focused development and progression opportunities for women, wellbeing, menopause and women's health support, and supporting our lived experience Women's Colleague Network.

Alongside the gender pay gap, we have continued to deliver a wide range of activity over the last year, including increasing the representation of women in senior roles and providing talent development and retention interventions.

Our reporting includes data analysis which demonstrates progress and the positive impact this work is having, including outcomes seen in relation to internal progression for women and recruitment of women into senior roles within our organisation.

The full report is published on our website: www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion/gender-pay-gap-reports.

**Table 24: Employee data (based on head count, not FTE)**

| | Female | Male | Total (31 March 2026) |
|---|---|---|---|
| Directors | 7 | 15 | 22 |
| Senior managers (Band 8d and above – or non-AfC colleagues on equivalent salaries – not including Band 9 directors or ESM directors) | 22 | 32 | 54 |
| Total employees (including those mentioned in this table) | 3,440 | 2,116 | 5,556 |

## Employee sickness

We have an organisation-wide absence management policy that provides a consistent framework. The policy is underpinned by an externally provided occupational health service and Employee Assistance Programme.

All figures calculated by full-time equivalent (FTE).

| Table 25: NHS sickness absence figures | | | | |
|---|---|---|---|---|
| **Figures converted by DHSC to best estimates of required data items** | | | **Statistics produced by NHS Digital from ESR Data Warehouse** | |
| Average FTE 2025 | Adjusted FTE days lost to Cabinet Office definitions | Average sick days per FTE | FTE days available | FTE days lost to sickness absence |
| 5,321 | 45,220 | 8.5 | 1,942,187 | 73,358 |

Source: NHS Digital – Sickness Absence and Workforce Publications – based on data from the ESR Data Warehouse. Period covered: January to December 2025.

### NHS sickness absence figures notes:

ESR does not hold details of the planned working/non-working days for employees, so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

## Expenditure on consultancy and temporary staff

Total consultancy expenditure for operating services was £1.1 million (2024/25: £1.7 million). In both years, spend primarily related to advisory services for the NHS Future Workforce Solution programme and the Pensions Transformation programme. Overall costs have decreased this year, driven by reduced expenditure on the Future Workforce Solution programme, as the bulk of business case development and planning activity was completed in 2024/25.

The programme has now transitioned into the delivery phase in 2025/26. Lower Future Workforce Solution costs this year were partially offset by higher expenditure on the Pensions Transformation programme, reflecting increased activity as discovery work was largely completed in 2025/26, following some initial spend in 2024/25.

Total contingent labour expenditure for operating services was £4.2 million (2024/25: £7.0 million). The reduction reflects sustained efforts by the NHSBSA to reduce reliance on contingent labour through improved workforce planning within Customer Operations.

These arrangements are now primarily used to support recruitment, enabling roles to be filled quickly where needed and subsequently converted into permanent positions, thereby reducing costs associated with agency fees.

## Off-payroll engagements

| Table 26: Summary of off-payroll engagements | |
|---|---|
| **For all off-payroll engagements as of 31 March 2026, for more than £245 per day** | |
| Number of existing engagements as of 31 March 2026 | 2 |
| | Of which... |
| Number that have existed for less than one year at time of reporting | 2 |
| Number that have existed for between one and two years at time of reporting | 0 |
| Number that have existed for between two and three years at time of reporting | 0 |
| Number that have existed for between three and four years at time of reporting | 0 |
| Number that have existed for four or more years at time of reporting | 0 |
| **For all off-payroll engagements between 1 April 2025 and 31 March 2026, for more than £245 per day** | |
| Number of temporary off-payroll workers engaged between 1 April 2025 and 31 March 2026 | 2 |
| | Of which... |
| Number not subject to off-payroll legislation | 0 |
| Number subject to off-payroll legislation and determined as in-scope of IR35 | 2 |
| Number subject to off-payroll legislation and determined as out of scope of IR35 | 0 |
| Number of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Number of engagements that saw a change to IR35 status following review | 0 |
| **For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026** | |
| Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year | 0 |
| Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or senior officials with significant financial responsibility", during the financial year | 12 |

## Exit packages

These tables report the number and value of exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous period. The remuneration report includes disclosure of any exit payments payable to individuals named in that report.

*Subject to audit*

**Table 27: Staff numbers and related costs – exit costs**

| 2025/26 | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages | Cost of compulsory redundancies £000 | Cost of other departures agreed £000 | Total cost of exit packages £000 |
|---|---|---|---|---|---|---|
| <£10,000 | 1 | 0 | 1 | 2 | 0 | 2 |
| £10,000-£25,000 | 2 | 0 | 2 | 27 | 0 | 27 |
| £25,000-£50,000 | 1 | 1 | 2 | 28 | 49 | 77 |
| £50,000-£100,000 | 1 | 1 | 2 | 60 | 77 | 137 |
| £100,000-£150,000 | 1 | 0 | 1 | 149 | 0 | 149 |
| £150,000-£200,000 | 1 | 0 | 1 | 151 | 0 | 151 |
| >£200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **7** | **2** | **9** | **417** | **126** | **543** |

There were no special payments made during the year.

*Subject to audit*

| Table 28: Other departures excluding compulsory redundancy | | |
|---|---|---|
| **2025/26** | **Number of agreements** | **Total value of agreements £000** |
| Voluntary redundancies including early retirement | 2 | 113 |
| Mutually agreed resignations | 0 | 0 |
| Early retirements in the efficiency of services | 0 | 0 |
| Contractual payments in lieu of notice | 1 | 13 |
| Exit payments | 0 | 0 |
| Non-contractual payments | 0 | 0 |
| **Total** | **3** | **126** |

*Subject to audit*

| Table 29: Staff numbers and related costs – exit costs | | | | | | |
|---|---|---|---|---|---|---|
| **2024/25** | **Number of compulsory redundancies** | **Number of other departures agreed** | **Total number of exit packages** | **Cost of compulsory redundancies £000** | **Cost of other departures agreed £000** | **Total cost of exit packages £000** |
| <£10,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £10,000-£25,000 | 1 | 0 | 1 | 12 | 0 | 12 |
| £25,000-£50,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £50,000-£100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £100,000-£150,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £150,000-£200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| >£200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **1** | **0** | **1** | **12** | **0** | **12** |

There were no special payments made during the year.

*Subject to audit*

| Table 30: Other departures excluding compulsory redundancy | | |
|---|---|---|
| **2024/25** | **Number of agreements** | **Total value of agreements £000** |
| Voluntary redundancies including early retirement | 0 | 0 |
| Mutually agreed resignations | 0 | 0 |
| Early retirements in the efficiency of services | 0 | 0 |
| Contractual payments in lieu of notice | 0 | 0 |
| Exit payments | 0 | 0 |
| Non-contractual payments | 0 | 0 |
| **Total** | **0** | **0** |

## 2.2.3 Workforce, recruitment and turnover

### Workforce

Our breakdown of staff across the UK is as follows:

| Table 31: Workforce across UK | |
|---|---|
| **Region** | **As a % of the total FTE** |
| North-East | 61.11% |
| North-West | 25.34% |
| South/South-East | 0.78% |
| Yorkshire and the Humber | 2.81% |
| Homeworkers | 9.97% |

*Due to rounding, the percentages given above do not total 100% to two decimal places

## Recruitment

From 1 April 2025 to 31 March 2026, we recruited 823.28 FTE roles into the organisation, with 479.07 of these into posts based in the North-East.

| Table 32: Recruitment | |
|---|---|
| **Region** | **FTE recruited** |
| North-East | 479.07 |
| North-West | 270.10 |
| South/South-East | 1.00 |
| Yorkshire and the Humber | 44.40 |
| Homeworker | 28.71 |
| **Total** | **823.28** |

## Turnover

During this period, 374.46 FTE colleagues left the NHSBSA, including 326.60 through natural wastage, where they chose to resign, retire or their fixed-term contract came to an end. This is an annualised turnover percentage of 7.51%.

| Table 33: Leavers and exits | | | |
|---|---|---|---|
| **Region** | **Natural wastage** | **Other** | **Total FTE who left** |
| North-East | 201.53 | 25.06 | 226.59 |
| North-West | 94.63 | 8.00 | 102.63 |
| South/South-East | 1.80 | 1.00 | 2.80 |
| Yorkshire and the Humber | 10.56 | 6.00 | 16.56 |
| Homeworker | 18.08 | 7.80 | 25.88 |
| **Total** | **326.60** | **47.86** | **374.46** |

In accordance with the Trade Union Regulations 2017 (Facility Time Publication Requirements), information on trade union facility time is published separately.

# 2.3 Parliamentary accountability and audit report

## 2.3.1 Expenditure regularity

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature, they are items that ideally should not arise. They are, therefore, subject to special control procedures.

Details of losses and special payments are included in Table 34.

*Subject to audit*

**Table 34: Losses and special payments**

| | 2025/26 | | 2024/25 | |
|---|---|---|---|---|
| | Number of cases | £000 | Number of cases | £000 |
| Losses | 1,243 | 1,063 | 417 | 203 |
| Special payments | 20 | 11 | 9 | 3 |

There were no losses of more than £300,000 during the 2025/26 financial year. We have not given any gifts exceeding £300,000.

## 2.3.2 Fees and charges

We do not have any income from fees and charges (subject to audit).

## 2.3.3 Remote contingent liabilities

We have signed an Assured Guarantee agreement relating to a distribution centre used by NHS Supply Chain. This agreement indemnifies the landlord should the logistics service provider be unable to fulfil its commitments under the lease. The service provider is not expected to default on the lease. Should they do so, then we would be liable for the annual rent of £870,000 for the period of default.

This agreement ends when the lease on the premises ends on 30 September 2026 (subject to audit).

## 2.3.4 Functional standards

We conduct a biannual review of compliance with government functional standards, which is managed centrally by our Risk team. The reviews are undertaken in February and August each year. The review process involves:

- engaging with the business lead responsible for implementing the standards to assess current compliance levels

- gathering evidence of self-assessment or formal assessment against the standards and the outcomes
- recording actions that will be taken to further embed requirements

For 2025/26, we are implementing the majority of mandatory elements and continue to review and use the standards to drive continuous improvement.

## 2.3.5 Accounting Officer's disclosure to the auditors

As far as the Accounting Officer is aware, there is no relevant audit information of which our auditors are unaware and the Accounting Officer has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that our auditors are aware of that information.

## 2.3.6 External auditors

The Comptroller and Auditor General is appointed by statute as external auditor for the NHSBSA accounts. The National Audit Office does not undertake any non-audit services on behalf of the NHSBSA.

**Michael Brodie CBE**
Chief Executive
NHS Business Services Authority
3 July 2026

# Glossary

| | |
|---|---|
| AHU | Air Handling Unit |
| AI | Artificial Intelligence |
| ALB | Arm's Length Body |
| AQuA | Analytical Quality Assurance |
| ARC | Audit and Risk Management Committee |
| BAU | Business as Usual |
| BCI | Best Companies Index |
| CAF | Cyber Assessment Framework |
| CBE | Commander of the Order of the British Empire |
| CCRA | Climate Change Risk Assessment |
| CETV | Cash Equivalent Transfer Value |
| CLT | Consolidated Leadership Team |
| COG | Chief Officer Group |
| DCR | Dental Contract Reforms |
| DDaT | Digital, Data and Technology |
| DEL | Departmental Expenditure Limits |
| DHSC | Department of Health and Social Care |
| DSPT | Data Security and Protection Toolkit |
| DWP | Department for Work and Pensions |
| EFRA | Enterprise Fraud Risk Assessment |
| EHIC | European Health Insurance Card |
| EIBSS | England Infected Blood Support Scheme |
| EPS | Electronic Prescription Service |
| ESG | Environmental, Social and Governance |
| ESM | Executive and Senior Managers |
| ESR | Electronic Staff Record |
| FOI | Freedom of Information |
| FRA | Fraud Risk Assessment |
| FReM | Government Financial Reporting Manual |
| FTE | Full-Time Equivalent |
| FTSU | Freedom to Speak Up |
| GAM | Group Accounting Manual |
| GCF | Government Commercial Function |
| GEF | Government Efficiency Framework |
| GFF | Government Finance Function |
| GGC | Greening Government Commitments |
| GHIC | Global Health Insurance Card |

| | |
|---|---|
| GHG | Greenhouse Gas |
| GIAA | Government Internal Audit Agency |
| GP | General Practice |
| GRA | Governance, Risk and Assurance |
| HC | House of Commons |
| HMT | His Majesty's Treasury |
| HRSS | Human Resources Shared Services |
| HRT PPC | Hormone Replacement Therapy Prepayment Certificate |
| IAT | Independent Assurance Team |
| ICB | Integrated Care Board |
| ICO | Information Commissioner's Office |
| ICT | Information and Communications Technology |
| ITAD | IT Asset Disposal |
| KPI | Key Performance Indicator |
| LED | Light Emitting Diode |
| LFP | Loss and Fraud Prevention |
| LIS | Low Income Scheme |
| NHS | National Health Service |
| NHSBSA | NHS Business Services Authority |
| NHSE | NHS England |
| OGP | Office of Government Property |
| PAO | Principal Accounting Officer |
| PCS | Public and Commercial Services |
| PPC | Prescription Prepayment Certificate |
| PSFA | Public Sector Fraud Authority |
| RIDDOR | Reporting of Injuries, Diseases and Dangerous Occurrences Regulations |
| RMF | Risk Management Framework |
| RTEC | Real Time Exemption Checking |
| SDG | Sustainable Development Goal |
| SDS | Senior Departmental Sponsor |
| SIRO | Senior Information Risk Owner |
| SLA | Service Level Agreement |
| SR25 | Spending Review 2025 |
| TCFD | Taskforce for Climate-related Financial Disclosures |
| TDS | Transforming Dental Services |
| TIDE | Talent Inclusion and Diversity Evaluation |
| VCSE | Voluntary, Community and Social Enterprise |
| VDPS | Vaccine Damage Payment Scheme |

# 03

# Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the NHS Business Services Authority for the year ended 31 March 2026 under the National Health Service Act 2006.

The financial statements comprise the NHS Business Services Authority's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the NHS Business Services Authority's affairs as at 31 March 2026 and its total net expenditure for the year then ended; and
- have been properly prepared in accordance with the National Health Service Act 2006 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the NHS Business Services Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NHS Business Services Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NHS Business Services Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the NHS Business Services Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Health Service Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Health Service Act 2006; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which we report by exception

In the light of the knowledge and understanding of the NHS Business Services Authority and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which we report to you if, in my opinion:

- adequate accounting records have not been kept by the NHS Business Services Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the auditor with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the auditor with additional information and explanations needed for their audit;
- providing the auditor with unrestricted access to persons within the NHS Business Services Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Health Service Act 2006;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Health Service Act 2006; and
- assessing the NHS Business Services Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the NHS Business Services Authority will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including

fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the NHS Business Services Authority's accounting policies;
- inquired of management, NHS Business Services Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NHS Business Services Authority's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NHS Business Services Authority's controls relating to the NHS Business Services Authority's compliance with the National Health Service Act 2006, Secretary of State directions issued thereunder and Managing Public Money;
- inquired of management, the NHS Business Services Authority's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the NHS Business Services Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the NHS Business Services Authority's framework of authority and other legal and regulatory frameworks in which the NHS Business Services Authority's operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NHS Business Services Authority. The key laws and regulations we considered in this context included National Health Service Act 2006 and Secretary of State directions issued thereunder and Managing Public Money.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I performed substantive testing on a sample of revenue and expenditure transactions where I was unable to rebut the risk of fraud, agreeing back to source documentation.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/audito4rsresponsibilities. This description forms part of my certificate.

## Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

**Gareth Davies** **6 July 2026**
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

# 04

# Financial statements and notes to the accounts

# Statement of comprehensive net expenditure for the year ended 31 March 2026

| | Notes | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|
| **Operating income** | 3.1 | **787,054** | 741,426 |
| Staff costs | 3.3 | **246,266** | 207,920 |
| Other operating expenditure | 3.2 | **836,176** | 781,526 |
| **Total operating expenditure** | | **1,082,442** | 989,446 |
| **Total net expenditure** | | **295,388** | 248,020 |
| **Other comprehensive net expenditure** | | | |
| Fair value (gain) on financial assets | | **0** | (7,000) |
| **Total comprehensive net expenditure for the year** | | **295,388** | 241,020 |

The notes on pages 131 to 161 form part of these accounts.

# Statement of financial position at 31 March 2026

| | Notes | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 4.1 | **24,581** | 27,951 |
| Intangible assets | 4.2 | **73,049** | 60,629 |
| Right-of-use assets | 4.3 | **6,941** | 9,286 |
| Financial assets | 4.5 | **105,000** | 105,000 |
| **Total non-current assets** | | **209,571** | 202,866 |
| **Current assets** | | | |
| Trade and other receivables | 4.6 | **90,053** | 76,480 |
| Cash and cash equivalents | 4.7 | **75,330** | 45,091 |
| **Total current assets** | | **165,383** | 121,571 |
| **Total assets** | | **374,954** | 324,437 |
| **Current liabilities** | | | |
| Trade and other payables | 4.8 | **78,605** | 42,592 |
| Lease liabilities | 4.9 | **1,534** | 1,644 |
| Provisions for liabilities and charges | 4.10 | **746** | 1,236 |
| **Total current liabilities** | | **80,885** | 45,472 |
| **Net current assets/liabilities** | | **84,498** | 76,099 |
| **Total assets less current liabilities** | | **294,069** | 278,965 |
| **Non-current liabilities** | | | |
| Lease liabilities | 4.9 | **5,671** | 7,367 |
| Provisions for liabilities and charges | 4.10 | **135** | 137 |
| **Total non-current liabilities** | | **5,806** | 7,504 |
| **Total assets less liabilities:** | | **288,263** | 271,461 |
| **Taxpayers' equity** | | | |
| General fund | | **183,263** | 126,964 |
| Revaluation reserve | | **105,000** | 144,497 |
| **Total taxpayers' equity:** | | **288,263** | 271,461 |

The notes on pages 131 to 161 form part of these accounts.

**Michael Brodie**
Chief Executive
3 July 2026

# Statement of changes in taxpayers' equity
# For the year ended 31 March 2026

| | General fund £000 | Revaluation reserve £000 | Total reserves £000 |
|---|---|---|---|
| **Balance at 31 March 2025** | 126,964 | 144,497 | **271,461** |
| **Changes in taxpayers' equity for 2025-26** | | | |
| Total net expenditure for the year | (295,388) | 0 | **(295,388)** |
| Transfer of Revaluation Reserve balances for Intangible Assets to the General Fund | 39,497 | (39,497) | **0** |
| Net gain on revaluation of financial assets | 0 | 0 | **0** |
| Non-cash charges – notional costs | 190 | 0 | **190** |
| **Total recognised income and expense for 2025-26** | (255,701) | (39,497) | **(295,198)** |
| Net Parliamentary Funding | 312,000 | 0 | **312,000** |
| **Balance at 31 March 2026** | **183,263** | **105,000** | **288,263** |

| | General fund £000 | Revaluation reserve £000 | Total reserves £000 |
|---|---|---|---|
| **Balance at 31 March 2024** | 108,804 | 137,497 | **246,301** |
| **Changes in taxpayers' equity for 2024-25** | | | |
| Total net expenditure for the year | (248,020) | 0 | **(248,020)** |
| Net gain on revaluation of financial assets | 0 | 7,000 | **7,000** |
| Non-cash charges – notional costs | 180 | 0 | **180** |
| **Total recognised income and expense for 2024-25** | (247,840) | 7,000 | **(240,840)** |
| Net Parliamentary Funding | 266,000 | 0 | **266,000** |
| **Balance at 31 March 2025** | **126,964** | **144,497** | **271,461** |

The revaluation reserve balance of £105,000k relates entirely to Financial Assets (31 March 2025: £105,000k). The revaluation reserve balance at 31 March 2025 of £39,497k relating to Intangible Assets has been transferred to the General Fund following the introduction of revised valuation rules for intangible assets.

The notes on pages 131 to 161 form part of these accounts.

# Statement of cash flows for the year ended 31 March 2026

| | Notes | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net operating expenditure | | **(295,388)** | (248,020) |
| Other cash flow adjustments | 5.2 | **25,994** | 26,407 |
| Movement in working capital | 5.1 | **22,440** | 8,203 |
| Provisions utilised | 4.10 | **(1,131)** | (2,754) |
| **Net cash (outflow) from operating activities** | | **(248,085)** | (216,164) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 4.1 | **(5,511)** | (6,619) |
| Purchase of intangible assets | 4.2 | **(26,025)** | (10,869) |
| Payment of direct costs in respect of obtaining right of use assets | 4.3 | **0** | (32) |
| **Net cash inflow/(outflow) from investing activities** | | **(31,536)** | (17,520) |
| **Cash flows from financing activities** | | | |
| Net parliamentary funding | | **312,000** | 266,000 |
| Payments in respect of finance leases | 4.9 | **(2,140)** | (2,562) |
| **Net financing** | | **309,860** | 263,438 |
| **Net increase/(decrease) in cash and cash equivalents** | | **30,239** | 29,754 |
| **Cash and cash equivalents at 31 March 2025** | 4.7 | **45,091** | 15,337 |
| **Cash and cash equivalents at 31 March 2026** | 4.7 | **75,330** | 45,091 |

The notes on pages 131 to 161 form part of these accounts.

# Notes to the accounts

## 1. Accounting policies

These financial statements have been prepared in a form directed by the Secretary of State and in accordance with the Financial Reporting Manual (FReM) 2025-26, issued by HM Treasury, and the Department of Health and Social Care Group Accounting Manual (GAM) 2025-26. The accounting policies contained in the FReM and GAM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM or GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHSBSA for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

## 1.1 Accounting conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

### Going concern

The NHSBSA's annual report and accounts have been prepared on a going concern basis. The NHSBSA is financed by and draws its funding from the Department of Health and Social Care (DHSC). Parliament has demonstrated its commitment to fund DHSC for the foreseeable future, and DHSC has demonstrated its commitment to the funding of the NHSBSA.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key critical judgements and estimations that management have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in financial statements relate to the valuation of Intangible IT Assets and Investments.

Impairment and Useful Economic Life (UEL) reviews are carried out annually on intangible IT assets. In assessing whether there is any indication that an asset may be impaired, management consider both internal and external indicators in line with IAS 36. Internal indicators might be obsolescence, or that the economic performance of an asset is worse than expected. External indicators might be significant changes in the technological or legal environment in which the NHSBSA operates. Management use up-to-date business intelligence to assess the remaining expected operational use of each asset. Asset values are adjusted where necessary to reflect the findings of the reviews.

The NHS Shared Business Services Ltd (SBS) shareholding was independently professionally valued, on a discounted cash flow basis, at 31 March 2026. SBS took management through the business plan and forecasts provided to the valuers and explained the drivers behind the revenue growth forecasts by business stream and expected margins. The professional valuers took management through their report and explained, to management's satisfaction, the assumptions used in the valuation; including the discount rate applied. Having made their own enquiries of SBS and the professional valuers, management are satisfied with the assumptions and methodology used to arrive at the valuation range provided.

A point between the higher and middle values of £105m (2025: £105m) has been used at the reporting date in the accounts. Within the range provided, it is management's view that this figure most accurately reflects the value of the shareholding.

## 1.2 Income and expenditure

### 1.2.1 Income

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- NHSBSA does not disclose information regarding remaining performance obligations which are part of a contract that ha expected duration of one year or less,
- NHSBSA does not disclose information where revenue is recognised in line with the practical expedient offered in the St the right to consideration corresponds directly with value of the performance completed to date.

These expedients apply to all of the NHSBSA's revenue streams.

The main source of funding of the Authority is Parliamentary Funding from the Department of Health and Social Care, within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

Operating income is income which relates directly to the operating activities of the Authority. It principally comprises charges for services provided on a full-cost basis to external customers, as well as public repayment work.

Income in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The funding of Social Work Bursary payments, the Education Support Grant and the Learning Support Fund comes from the DHSC Policy Team. This income is treated as operating income.

### 1.2.2 Expenditure

Operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Social Work Bursary and Learning Support Fund payments to students are made on an academic term by term basis, and recognised in the financial year in which the term falls. Tuition fees for social work students are paid to Higher Education Institutions (HEIs) on an annual academic year basis. The academic year is split into three terms, and the expenditure is recognised in the financial year in which each term falls. Education Support Grant is paid twice a year to HEIs on an academic year basis, and is apportioned and recognised across the financial years to which it relates.

## 1.3 Taxation

The Authority is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

## 1.4 Property, plant and equipment

### (a) Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential will be supplied to the NHSBSA
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably, and either
  a) the item has a cost equal of at least £5,000; or
  b) collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

## (b) Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

Leasehold improvements, IT equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost, where this is not considered to be materially different from current value in existing use. This is the case where these assets have short useful economic lives or low values or both, and also for higher value assets and assets with longer useful economic lives, where the application of indices is shown to have no material impact.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive net expenditure in the Statement of Comprehensive Net Expenditure.

## (c) Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

# 1.5 Intangible assets

## (a) Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the NHSBSA's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHSBSA; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

### (b) Measurement

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is charged to the Statement of Comprehensive Net Expenditure (SoCNE) in the period in which it is incurred.

From 1 April 2024, following intial recognition, intangible assets are carried at amortised historic cost. This was a change from the previous policy, following the early adoption of the changes to the intangible assets valuation regime set out in the 2025-26 FReM, which withdraws the option to measure intangible assets using the revaluation model.

## 1.6 Depreciation, amortisation and impairments

Freehold land, assets under construction or development and assets held for sale are not depreciated/amortised.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated useful lives. The estimated useful life of an asset is the period over which the NHSBSA expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

At each Statement of Financial Position date, the Authority checks whether there is any indication that any of its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that arise from a clear consumption of economic benefit or reduction in operational capacity are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

## 1.7 Investments

The only investment currently held is a 49.99% shareholding in NHS Shared Business Services Ltd.

NHSBSA is considered to have significant influence over SBS, so IAS 28 applies when accounting for the investment. Under IAS 28, the equity method of accounting is applied unless the investment qualifies for exemption in accordance with paragraph 17.

The investment qualifies, and the exemption from equity accounting for the investment has been taken. In accordance with paragraph 14A of IAS 28, IFRS 9 has therefore been applied.

Per the provisions of IFRS 9, NHSBSA management have elected to measure the investment at fair value through other comprehensive income.

Fair value at 31 March 2026 has been established using an external valuation specialist.

## 1.8 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 1.9 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings including losses which would have been made good through insurance cover had the Authority not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

## 1.10 Employee benefits

### Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

### Retirement benefit costs

Most past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Authority commits itself to the retirement, regardless of the method of payment.

## 1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 Leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard have been employed. These are as follows;

NHSBSA has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application, NHSBSA has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed, the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the NHSBSA in applying IFRS 16. These include;

The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.

The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value, which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.

NHSBSA will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.5 instead.

HM Treasury has adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

NHSBSA is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16, NHSBSA has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

## 1.11.1 The NHSBSA as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. NHSBSA employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Net Expenditure.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

HMT incremental borrowing rates have been applied to the lease liabilities recognised at the date of initial application of IFRS 16, and the in-year additions, which took place in the 2024 and 2025 calendar years. The rates used for additons were 4.72% and 4.81% respectively.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the NHSBSA applies a revised rate to the remaining lease liability. The rate used for remeasurements during 2025-26 was the 2025 calendar year rate of 4.81%.

Where existing leases are modified, NHSBSA must determine whether the arrangement constitutes a separate lease and apply the Standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by NHSBSA.

## 1.12 Provisions

Provisions are recognised when NHSBSA has a present legal or constructive obligation as a result of a past event, it is probable that NHSBSA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, and the effect of the time value of money is significant, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

## 1.13 Financial instruments

### Financial assets

Financial assets are recognised when NHSBSA becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and NHSBSA has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

With the exception of the investment in NHS SBS Ltd, which is measured at fair value through other comprehensive income, all of NHSBSA's financial assets are measured at amortised cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Following initial recognition, the investment in NHS SBS Ltd will be revalued to fair value each year, and the movement taken to the revaluation reserve through other comprehensive income.

## Impairment

For all financial assets measured at amortised cost, and any lease receivables and contract assets, NHSBSA recognises a loss allowance representing expected credit losses on the financial instrument.

NHSBSA adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. NHSBSA therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and NHSBSA does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

### Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or 'at amortised cost'.

All of NHSBSA's financial liabilities are classified as 'at amortised cost'. After initial recognition, the financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount (amortised cost) of the financial liability.

## 1.14 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2025-26. These Standards are still subject to HM Treasury FReM adoption.

IFRS 18 Presentation and Disclosure in Financial Statements – The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures – The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted.

Application of IFRS 19 is not expected to have any impact on future financial statements. The impact of IFRS 18 will be considered when the standard is interpreted for the public sector and adopted by the FReM.

# 2. Operating segments

The Authority's activities are considered to fall within two segments: Student Support via the payment of Social Work Bursaries, Education Support Grant (ESG) and the Learning Support Fund (LSF), and the Authority's operating expenditure relating to the provision of services to the wider NHS.

Details of the income and expenditure and assets and liabilities of the segments are shown below. The segments' shares of assets and liabilities are disclosed in more detail within the relevant notes to the accounts.

| | | Student support | | Service provision | | Total | |
|---|---|---|---|---|---|---|---|
| | | 2025-26 £000 | 2024-25 £000 | 2025-26 £000 | 2024-25 £000 | 2025-26 £000 | 2024-25 £000 |
| **Statement of comprehensive net expenditure** | Notes | | | | | | |
| Operating income | 3.1 | **(602,377)** | (607,731) | **(184,677)** | (133,695) | **(787,054)** | (741,426) |
| Staff costs | 3.3 | **0** | 0 | **246,266** | 207,920 | **246,266** | 207,920 |
| Other operating expenditure | 3.2 | **602,377** | 607,731 | **233,799** | 173,795 | **836,176** | 781,526 |
| **Total operating expenditure** | | **602,377** | 607,731 | **480,065** | 381,715 | **1,082,442** | 989,446 |
| **Net operating expenditure/ (income)** | | **0** | 0 | **295,388** | 248,020 | **295,388** | 248,020 |
| **Statement of financial position** | | | | | | | |
| Assets | | **24,874** | 23,751 | **350,080** | 300,686 | **374,954** | 324,437 |
| Liabilities | | **(22,088)** | (20,965) | **(64,603)** | (32,011) | **(86,691)** | (52,976) |
| Assets less liabilities | | **2,786** | 2,786 | **285,477** | 268,675 | **288,263** | 271,461 |

# 3. Notes to the statement of comprehensive net expenditure

## 3.1 Operating income

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| **Service provision revenue from contracts with customers** | | |
| DHSC invoiced services | **6,742** | 740 |
| Services to other DHSC group bodies | **55,610** | 54,300 |
| Services provided to UK Devolved Administrations and Crown Dependencies | **9,854** | 7,362 |
| NHS Pension Scheme administration recharge | **108,296** | 65,697 |
| Other income | **2,175** | 3,596* |
| | **182,677** | 131,695 |
| **Student support income** | | |
| Social Work Bursary and ESG funding from DHSC | **49,318** | 49,159 |
| LSF funding from DHSC | **553,059** | 558,572 |
| | **602,377** | 607,731 |
| **Other operating income** | | |
| Dividends | **2,000** | 2,000* |
| **Total operating income** | **787,054** | 741,426 |

* Re-presented – dividends were included in Other Income in the 2024-25 accounts.

## 3.2 Other operating expenditure (non-staff)

| | | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|
| **Service provision expenditure** | | | |
| Non-executive members' remuneration | | **132** | 119 |
| Rentals under operating leases | | **308** | 117 |
| Establishment expenses | | **19,348** | 16,494 |
| Transport | | **281** | 321 |
| Premises | | **23,847** | 19,600 |
| External contractors | | **132,843** | 78,383 |
| Non-cash: Depreciation | **11,177** | | 10,022 |
| Amortisation | **13,599** | | 14,389 |
| Impairments & reversals intangible | **6** | | 426 |
| (Profit)/loss on disposal of PPE | **119** | | 180 |
| Notional fee for the audit of the NHS Pension Scheme accounts | **190** | | 180 |
| | | **25,091** | 25,197 |
| Auditors' remuneration – audit fees | | **270** | 280 |
| Legal & professional fees | | **30,556** | 33,148 |
| Finance charges on leases | | **264** | 179 |
| Other costs | | **859** | (43) |
| | | **233,799** | 173,795 |
| **Student support expenditure** | | | |
| Social Work Bursaries and ESG | | **49,318** | 49,159 |
| LSF | | **553,059** | 558,572 |
| | | **602,377** | 607,731 |
| **Total non-staff operating expenditure** | | **836,176** | 781,526 |

## 3.3 Staff costs

### Executive members and staff costs:

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Salaries and wages | **187,699** | 163,226 |
| Social security costs | **23,030** | 15,275 |
| Employer contributions to NHS Pensions | **36,308** | 30,577 |
| Other pension costs | **564** | 603 |
| Apprenticeship levy | **946** | 826 |
| Termination costs | **565** | 13 |
| **Total** | **249,112** | 210,520 |
| Capitalised staff costs | **(2,846)** | (2,600) |
| | **246,266** | 207,920 |

## 3.4 Pension costs

Most past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

## b) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2026 is based on valuation data as at 31 March 2024, updated to 31 March 2026 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

## Civil Service Pension Scheme

Some past and present employees are covered by the provisions of the Civil Service Pension Scheme (CSPS). The defined benefit elements of the scheme are unfunded and non-contributory except in respect of dependents' benefits. The Authority recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the CSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSPS. In respect of the defined contribution elements of the scheme, the Authority recognises the contributions payable for the year.

# 4. Notes to the statement of financial position

## 4.1 Property, plant and equipment

### 4.1.1 Property, plant and equipment 2025-26

| | Buildings excluding dwellings £000 | Plant & machinery £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 April 2025 | 18,571 | 117 | 40,354 | 6,230 | **65,272** |
| Additions – purchased | 2,547 | 0 | 2,695 | 269 | **5,511** |
| Disposals | (9,353) | 0 | (4,139) | (1,322) | **(14,814)** |
| **At 31 March 2026** | **11,765** | **117** | **38,910** | **5,177** | **55,969** |
| **Depreciation** | | | | | |
| At 1 April 2025 | 12,430 | 117 | 18,842 | 5,932 | **37,321** |
| Disposals | (9,353) | 0 | (4,020) | (1,322) | **(14,695)** |
| Charged during the year | 2,200 | 0 | 6,476 | 86 | **8,762** |
| **At 31 March 2026** | **5,277** | **117** | **21,298** | **4,696** | **31,388** |
| Net book value at 31 March 2025 | 6,141 | 0 | 21,512 | 298 | 27,951 |
| **Net book value at 31 March 2026** | **6,488** | **0** | **17,612** | **481** | **24,581** |

## 4.1.2 Property, plant and equipment 2024-25

| | Buildings excluding dwellings £000 | Plant & machinery £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 April 2024 | 16,543 | 117 | 36,945 | 6,170 | 59,775 |
| Additions – purchased | 2,166 | 0 | 4,347 | 106 | 6,619 |
| Disposals | (138) | 0 | (938) | (46) | (1,122) |
| **At 31 March 2025** | **18,571** | **117** | **40,354** | **6,230** | **65,272** |
| **Depreciation** | | | | | |
| At 1 April 2024 | 10,505 | 117 | 14,240 | 5,885 | 30,747 |
| Disposals | (138) | 0 | (817) | (46) | (1,001) |
| Charged during the year | 2,063 | 0 | 5,419 | 93 | 7,575 |
| **At 31 March 2025** | **12,430** | **117** | **18,842** | **5,932** | **37,321** |
| Net book value at 31 March 2024 | 6,038 | 0 | 22,705 | 285 | 29,028 |
| **Net book value at 31 March 2025** | **6,141** | **0** | **21,512** | **298** | **27,951** |

**Student support** had no property, plant and equipment during the accounting period (2024-25 – £Nil)

## 4.2 Intangible assets

### 4.2.1 Intangible assets 2025-26

| | Software licences £000 | Information technology £000 | Development expenditure £000 | Total £000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 April 2025 | 4,353 | 206,566 | 14,198 | **225,117** |
| Additions – purchased | 469 | 1,033 | 24,523 | **26,025** |
| Reclassifications | 0 | 1,142 | (1,142) | **0** |
| **At 31 March 2026** | **4,822** | **208,741** | **37,579** | **251,142** |
| **Amortisation** | | | | |
| At 1 April 2025 | 1,982 | 162,506 | 0 | **164,488** |
| Charged during the year | 707 | 12,892 | 0 | **13,599** |
| Impairments | 0 | 6 | 0 | **6** |
| **At 31 March 2026** | **2,689** | **175,404** | **0** | **178,093** |
| Net book value at 31 March 2025 | 2,371 | 44,060 | 14,198 | 60,629 |
| **Net book value at 31 March 2026** | **2,133** | **33,337** | **37,579** | **73,049** |

## 4.2.2 Intangible assets 2024-25

| | Software licences £000 | Information technology £000 | Development expenditure £000 | Total £000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 April 2024 | 4,293 | 201,090 | 9,183 | **214,566** |
| Additions – purchased | 138 | 770 | 9,961 | **10,869** |
| Reclassifications | 0 | 4,706 | (4,706) | **0** |
| Disposals | (78) | 0 | 0 | **(78)** |
| Impairments | 0 | 0 | (240) | **(240)** |
| **At 31 March 2025** | **4,353** | **206,566** | **14,198** | **225,117** |
| **Amortisation** | | | | |
| At 1 April 2024 | 1,386 | 148,605 | 0 | **149,991** |
| Charged during the year | 674 | 13,715 | 0 | **14,389** |
| Disposals | (78) | 0 | 0 | **(78)** |
| Impairments | 0 | 186 | 0 | **186** |
| **At 31 March 2025** | **1,982** | **162,506** | **0** | **164,488** |
| Net book value at 31 March 2024 | 2,907 | 52,485 | 9,183 | 64,575 |
| **Net book value at 31 March 2025** | **2,371** | **44,060** | **14,198** | **60,629** |

**Student support** had no intangible assets during the accounting period (2024-25 – £Nil)

## 4.2.3 Intangible assets – carrying value of individually material assets

| | 2026 Gross £000 | 2026 Net £000 | 2025 Gross £000 | 2025 Net £000 |
|---|---|---|---|---|
| **Material intangible assets ranked by current year net book value** | | | | |
| Electronic Staff Record System | 82,639 | 7,029 | 82,639 | 8,622 |
| NHS Pensions Administration System | 24,238 | 5,479 | 24,238 | 8,219 |
| NHS Jobs System | 11,034 | 6,465 | 11,034 | 8,081 |
| Prescription Processing System | 24,606 | 1,253 | 24,606 | 1,879 |
| Overseas Health Service System | 9,098 | 3,025 | 9,098 | 4,538 |

## 4.3 Right-of-use assets

### 4.3.1 Right-of-use assets 2025-26

| | Property £000 | Vehicles £000 | Total £000 |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2025 | 14,934 | 58 | **14,992** |
| Remeasurement of lease liability | 70 | 0 | **70** |
| **At 31 March 2026** | **15,004** | **58** | **15,062** |
| **Depreciation** | | | |
| At 1 April 2025 | 5,687 | 19 | **5,706** |
| Charged during the year | 2,396 | 19 | **2,415** |
| **At 31 March 2026** | **8,083** | **38** | **8,121** |
| Net book value at 31 March 2025 | 9,247 | 39 | 9,286 |
| **Net book value at 31 March 2026** | **6,921** | **20** | **6,941** |

### 4.3.2 Right-of-use assets 2024-25

| | Property £000 | Vehicles £000 | Total £000 |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2024 | 15,539 | 0 | **15,539** |
| Additions | 2,896 | 58 | **2,954** |
| Disposals | (3,501) | 0 | **(3,501)** |
| **At 31 March 2025** | **14,934** | **58** | **14,992** |
| **Depreciation** | | | |
| At 1 April 2024 | 4,553 | 0 | **4,553** |
| Charged during the year | 2,428 | 19 | **2,447** |
| Disposals | (1,294) | 0 | **(1,294)** |
| **At 31 March 2025** | **5,687** | **19** | **5,706** |
| Net book value at 31 March 2024 | 10,986 | 0 | 10,986 |
| **Net book value at 31 March 2025** | **9,247** | **39** | **9,286** |

**Student support** had no right-of-use assets during the accounting period (2024-25 – £Nil)

## 4.4 Economic lives of non-current assets

| | Min life years | Max life years |
|---|---|---|
| **Intangible assets** | | |
| Software licences | 1 | 20 |
| Information technology | 1 | 30 |
| Development expenditure | 1 | 12 |
| **Property, plant and equipment** | | |
| Buildings excl. dwellings | 3 | 65 |
| Plant & machinery | 5 | 10 |
| Transport equipment | 5 | 7 |
| Information technology | 3 | 15 |
| Furniture & fittings | 5 | 10 |
| **Right-of-use assets** | | |
| Property | 2 | 8 |

## 4.5 Financial assets – investments

| | Share capital 2025-26 £000 | Share capital 2024-25 £000 |
|---|---|---|
| Value at 1 April | 105,000 | 98,000 |
| Changes in carrying value | 0 | 7,000 |
| **Value at 31 March** | **105,000** | 105,000 |

The investment represents a 49.99% shareholding in NHS Shared Business Services Ltd (SBS.)

The investment was independently valued at 31 March 2026 on a discounted cash flow basis. (See Note 8.1)

**Student support** had no Investments during the accounting period (2024-25 – £Nil)

## 4.6 Receivables

| | Current | |
|---|---|---|
| | 31 March 2026 £000 | 31 March 2025 £000 |
| Trade receivables | **59,975** | 46,790 |
| Accrued income | **14,356** | 17,479 |
| Expected credit loss allowance – contract receivables | **(2,116)** | (1,310) |
| Prepayments | **13,362** | 8,096 |
| Other receivables | **12,303** | 13,499 |
| Expected credit loss allowance – other receivables | **(7,827)** | (8,074) |
| **Trade and other receivables** | **90,053** | 76,480 |
| **Segmental split** | | |
| Service provision | **79,879** | 61,051 |
| Student support | **10,174** | 15,429 |
| | **90,053** | 76,480 |

There are no non-current receivables (2025 – Nil)

## 4.7 Cash and cash equivalents

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Balance at 1 April | **45,091** | 15,337 |
| Net change in the year | **30,239** | 29,754 |
| Balance at 31 March | **75,330** | 45,091 |

**Comprising:**

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| Held with the Government Banking Service | **75,330** | 45,091 |
| Commercial banks and cash in hand | **0** | 0 |
| Cash and cash equivalents | **75,330** | 45,091 |
| **Segmental split** | | |
| Service provision | **60,630** | 36,769 |
| Student support | **14,700** | 8,322 |
| | **75,330** | 45,091 |

## 4.8 Trade and other payables

| | Current | |
|---|---|---|
| | 31 March 2026 £000 | 31 March 2025 £000 |
| Trade payables | **2,478** | 1,253 |
| Tax and social security | **24** | 5 |
| Deferred income | **1,299** | 606 |
| Accruals | **70,610** | 35,328 |
| Other payables | **4,194** | 5,400 |
| **Trade and other payables** | **78,605** | 42,592 |
| | | |
| **Segmental split** | | |
| Service provision | **57,258** | 22,858 |
| Student support | **21,347** | 19,734 |
| | **78,605** | 42,592 |

There are no non-current trade and other payables (2025 – Nil)

## 4.9 Lease liabilities

### 4.9.1 Movement in year

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Balance at 1 April | **9,011** | 10,620 |
| Additions, disposals and remeasurements | **70** | 774 |
| Interest expense | **264** | 179 |
| Repayments | **(2,140)** | (2,562) |
| Balance at 31 March | **7,205** | 9,011 |

None of the above leases are within the DHSC group.

### 4.9.2 Year end balances

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| **Maturity:** | | |
| Within one year | **1,534** | 1,644 |
| Between one and five years | **4,422** | 5,302 |
| Later than five years | **1,249** | 2,065 |
| | **7,205** | 9,011 |
| **Included in:** | | |
| Current lease liabilities | **1,534** | 1,644 |
| Non-current lease liabilities | **5,671** | 7,367 |
| | **7,205** | 9,011 |
| **Segmental split** | | |
| Service provision | **7,205** | 9,011 |
| Student support | **0** | 0 |
| | **7,205** | 9,011 |

## 4.10 Provisions for liabilities and charges

| | Current | |
|---|---|---|
| | 31 March 2026 £000 | 31 March 2025 £000 |
| Leasehold property decommissioning | **0** | 0 |
| Legal claims | **5** | 5 |
| Social Work Bursary tuition fee entitlement | **741** | 1,231 |
| **Total** | **746** | 1,236 |

| | Non-current | |
|---|---|---|
| | 31 March 2026 £000 | 31 March 2025 £000 |
| Leasehold property decommissioning | **120** | 120 |
| Legal claims | **15** | 17 |
| Social Work Bursary tuition fee entitlement | **0** | 0 |
| **Total** | **135** | 137 |
| **Segmental split** | | |
| Service provision | **140** | 142 |
| Student support | **741** | 1,231 |
| | **881** | 1,373 |

| | Leasehold property decommissioning £000 | Legal claims £000 | Social Work Bursary tuition fee entitlement £000 | Total £000 |
|---|---|---|---|---|
| At 31 March 2024 | 815 | 24 | 2,257 | **3,096** |
| Arising during the year | 0 | 0 | 1,970 | **1,970** |
| Utilised during the year | (380) | (2) | (2,372) | **(2,754)** |
| Reversed unused | (315) | 0 | (624) | **(939)** |
| At 31 March 2025 | 120 | 22 | 1,231 | **1,373** |
| Arising during the year | 0 | 0 | 982 | **982** |
| Utilised during the year | 0 | (2) | (1,129) | **(1,131)** |
| Reversed unused | 0 | 0 | (343) | **(343)** |
| **At 31 March 2026** | **120** | **20** | **741** | **881** |
| Expected timing of cash-flows: | | | | |
| Within one year | 0 | 5 | 741 | **746** |
| Later than one year and not later than five years | 120 | 6 | 0 | **126** |
| Later than five years | 0 | 9 | 0 | **9** |

## Contingencies at 31 March 2026

At 31 March 2026, there were no known contingent assets or liabilities (March 2025: £nil).

# 4.11 Events after the reporting period

The Accounts were authorised for issue by the NHSBSA Chief Executive and Accounting Officer on the same date as the C&AG's certificate.

# 5. Notes to the statement of cash flows

## 5.1 Movements in working capital

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| (Increase)/decrease in receivables within 1 year | **(13,573)** | 18,334 |
| Increase/(decrease) in payables within 1 year | **36,013** | (10,131) |
| **Total** | **22,440** | 8,203 |

## 5.2 Other cash flow adjustments

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Depreciation | **11,177** | 10,022 |
| Amortisation | **13,599** | 14,389 |
| Impairments and reversals | **6** | 426 |
| (Profit)/Loss on disposal of assets | **119** | 180 |
| Notional costs | **190** | 180 |
| Finance charge on leases | **264** | 179 |
| Provisions – arising in Year | **982** | 1,970 |
| Provisions – reversed unused | **(343)** | (939) |
| **Total** | **25,994** | 26,407 |

# 6. Related party transactions

The Authority is a body corporate established by order of the Secretary of State for Health.

The Department of Health and Social Care is regarded as a related party. During the year the Authority had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department including NHS England and NHS Trusts and Foundation Trusts.

NHS Shared Business Services Ltd (SBS) became a related party with the transfer of DHSC's shareholding on 31 March 2023. NHSBSA received a dividend of £2,000k from its shareholding in SBS during the year (2024/25: £2,000k). NHSBSA provided services to SBS to the value of £47.3k during 2025/26 (2024/25: £53.5k), and has a receivables balance of £121.4k at 31 March 2026 (31 March 2025: £64.7k).

During the year none of the Department of Health and Social Care Ministers, Authority board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with NHSBSA. Compensation paid to directors has been disclosed in the Remuneration Report.

# 7. Other commitments

The Authority has entered into non-cancellable contracts (which are not operating leases) for the provision of contracted out Pensions, ESR/FWS, Facilities Management and IT services, due as follows:

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| In one year or less | **52,655** | 53,662 |
| In more than one year but not more than five years | **223,898** | 27,947 |
| In more than five years | **259,708** | 0 |
| **Total** | **536,261** | 81,609 |

# 8. Financial instruments

## Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the Authority are met primarily through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Authority's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

## Currency risk

The Authority is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Authority has no overseas operations. The Authority therefore has low exposure to currency rate fluctuations.

## Interest rate risk

All of the Authority's financial assets and financial liabilities carry nil or fixed rates of interest. The Authority is not, therefore, exposed to significant interest-rate risk.

## Credit risk

All of the Authority's financial assets and financial liabilities carry nil or fixed rates of interest. The Authority is not, therefore, exposed to significant interest-rate risk.

## Liquidity risk

The Authority's net operating costs are financed from resources voted annually by Parliament. The Authority largely finances its capital expenditure from funds made available from Government under an agreed capital resource limit. The Authority is not, therefore, exposed to significant liquidity risks.

# 8.1 Financial assets

| | At 'fair value through profit and loss' £000 | At 'amortised cost' £000 | At 'fair value through other comprehensive income' £000 | Total £000 |
|---|---|---|---|---|
| Trade receivables | 0 | 45,480 | 0 | 45,480 |
| Other receivables | 0 | 22,493 | 0 | 22,493 |
| Cash at bank and in hand | 0 | 45,091 | 0 | 45,091 |
| Other financial assets | 0 | 0 | 105,000 | 105,000 |
| **Total at 31 March 2025** | 0 | 113,064 | 105,000 | 218,064 |
| Trade receivables | **0** | **57,859** | **0** | **57,859** |
| Other receivables | **0** | **18,832** | **0** | **18,832** |
| Cash at bank and in hand | **0** | **75,330** | **0** | **75,330** |
| Other financial assets | **0** | **0** | **105,000** | **105,000** |
| **Total at 31 March 2026** | **0** | **152,021** | **105,000** | **257,021** |

Assets carried at fair value must be classified by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

The only asset held at fair value above is the investment in NHS Shared Business Services Ltd, shown in other financial assets. This investment is classified as level 3.

The investment was valued on a discounted cash flow basis, by an independent valuation expert, using business and cash flow forecasts provided by NHS Shared Business Services Ltd (see Note 4.5).

A change in the rates applied in the valuation would have an impact on the investment value as follows:

- Weighted average cost of capital: +/- 1% would equate to a decrease/increase of £4.8m/£5.5m
- Terminal growth rate: +/- 0.5% would equate to an increase/decrease of £2.6m/£2.4m

The fair value of the investment was assessed at the reporting date. The value will be reassessed annually to ensure any changes in fair value are reflected in other comprehensive income.

## 8.2 Financial liabilities

| | At 'fair value through profit and loss' £000 | At 'amortised cost' £000 | Total £000 |
|---|---|---|---|
| Trade payables | 0 | 1,253 | 1,253 |
| Other payables | 0 | 5,400 | 5,400 |
| Other financial liabilities | 0 | 45,690 | 45,690 |
| **Total at 31 March 2025** | 0 | 52,343 | 52,343 |
| Trade payables | **0** | **2,478** | **2,478** |
| Other payables | **0** | **3,467** | **3,467** |
| Other financial liabilities | **0** | **78,676** | **78,676** |
| **Total at 31 March 2026** | **0** | **84,621** | **84,621** |

## 8.3 Maturity of financial liabilities

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| In one year or less | **78,830** | 44,856 |
| In more than one year but not more than five years | **4,542** | 5,422 |
| In more than five years | **1,249** | 2,065 |
| **Total** | **84,621** | 52,343 |

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