



Department  
of Health



*Business Services Authority*

**Framework Agreement**

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

**2014**

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Signed:



Date: 05 August 2014

Richard Douglas, Director General,  
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Signed:



Date: 08/08/2014

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## Purpose of this document

- 1.1. The purpose of this document is to define the critical elements of the relationship between the Department and NHS Business Services Authority (NHS BSA). The document is focused on:
- how the Department and NHS BSA will work in **partnership** to serve patients, the public and the taxpayer; and
  - how both NHS BSA and the Department discharge their **accountability** responsibilities effectively.

## 2. NHS BSA's purpose

2.1. The NHS BSA is a special health authority established under the NHS Business Service Authority (Establishment and Constitution) Order 2005 (SI 2005/2414) and operating pursuant to directions. The NHS BSA's principal directions were last updated in 2013. The general function of NHS BSA is to provide a range of critical central services and in particular payment processing services to NHS organisations, NHS contractors, patients and the public.

2.2. NHS BSA discharges this function by:

- managing the NHS Pension Scheme in England and Wales;
- administering the European Health Insurance Card (EHIC) scheme (in the UK);
- managing a 10-year outsourced Master Services Agreement (MSA) for the delivery of supply chain services to the NHS;
- making payments to pharmacists (in England) for prescriptions dispensed in primary care settings;
- making payments to dentists for work undertaken on NHS contracts;
- Compiling, publishing and distributing the NHS Drug Tariff for England and Wales. Approving the list of medical devices and chemical reagents that appear in the Drug Tariff and determining the price of those products;
- administering a range of health related services across the UK, including a Low Income Scheme, Medical and Maternity Exemption Schemes, Tax Credit NHS Exemption Cards (in the UK) and Prescription Pre-payment Certificates (in England);
- managing the NHS Student Bursaries (in England);
- managing the Social Work Bursaries Scheme (in England);
- managing the NHS Injury Benefit Scheme (in England and Wales);
- providing a range of hosted employment, human resources and financial services for various DH teams and programmes; and
- providing NHS Protect services (in England and Wales).

### 3. Governance

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

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

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

3.3. The Permanent Secretary has appointed a Senior Departmental Sponsor (SDS) who acts as NHS BSA's designated, consistent point of contact within the Department. The SDS acts as the link at executive level between NHS BSA and the senior officials of the Department, and also with ministers. Whilst the SDS role is facilitative and recognises the need for direct engagement between NHS BSA and other parts of the Department and ministers, it also supports the Permanent Secretary in holding NHS BSA to account and

providing assurance on its performance. The SDS is currently the Director General for Finance and NHS. The SDS is supported by a Departmental sponsor team, which is the principal day-to-day liaison between the Department and NHS BSA.

#### *Process for setting objectives*

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

3.5. In accordance with relevant guidance NHS BSA produces a business plan each year demonstrating how it will meet its legal duties and deliver its objectives. A first draft is normally submitted to the Department just before Christmas for comments. The draft will be reviewed by central sponsors and, with reference to their specific areas, policy sponsors, and after dialogue and amendment, a final version is agreed. The full and final

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

- 3.6. The Department provides guidance to support this process, which includes target budgets covering administration, programme, revenue and capital funding. The NHS BSA will also produce a five yearly strategy which is reviewed each year and agreed with the SDS.

#### *Discharge of statutory functions*

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

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

#### *Cross-government clearance*

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

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

## 4. Accountability

### *Secretary of State*

4.1. The Secretary of State is accountable to Parliament for the health system (its "steward"), including NHS BSA. The Department of Health supports him or her in this role. This involves:

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

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

4.2. The Department of Health's Permanent Secretary is the Principal Accounting Officer (PAO) and so is accountable in Parliament for the general performance of the health and care system in England, including NHS BSA. This requires him or her to gain assurance that NHS BSA is discharging its statutory duties and meeting the objectives set out in its establishment order, directions and business plan. In this way the PAO is able to

report to Parliament an informed account of the Department's stewardship of the public funds it distributes and for which it holds overall accountability.

4.3. The Department's Permanent Secretary, as the Department's Principal Accounting Officer, has appointed NHS BSA's Chief Executive as its Accounting Officer (AO). The AO may be called to Parliament to account for the performance of NHS BSA's duties as set out in its establishment order and directions in Parliament. The PAO can also be held to account in Parliament since the PAO's oversight should allow him or her to assess the adequacy of NHS BSA's stewardship of public funds and discharge of its duties. This assessment includes making judgments about whether NHS BSA is operating to adequate standards of regularity, propriety, feasibility and value for money (assessed for the Exchequer as a whole).

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

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

- Performance reporting against KPIs (each quarter)
- Board papers including performance and financial

information such as in year and year end outturn and performance against budgetary controls (in advance of each board meeting)

- Audit Committee papers including the NHSBSA's risk register and assurance map (in advance of each board meeting)
- Investment business cases for approval (as required)
- Additional information (as requested)

4.4.2 The processes in place to enable the Department and the Authority to review performance include:

- Regular accountability meetings with the Authority. These take place quarterly and are attended by the Chair and Chief Executive of NHS BSA, and other key Directors, and chaired by the Senior Departmental Sponsor. The focus of the meeting is on strategic issues and any issues of delivery which the SDS or the Authority believes appropriate to bring to this meeting. These meetings are structured to promote openness, constructive challenge and the identification and resolution of strategic issues. Prior to every quarterly review formal reporting takes place between central and policy sponsors followed by a meeting to assess which

issues need to be raised at the quarterly review. As appropriate SPSs may attend review meetings to discuss specific issues.

- An annual accountability review with the departmental sponsor team and the Authority's full board, chaired by the SDS or his representative.
- Regular dialogue between the Department and NHS BSA, including meetings and liaison on specific projects being led by the NHS BSA.

4.5. Senior policy sponsors (SPS) in each of the NHS BSA's specific areas of responsibility support the SDS in holding the Authority to account for its performance and actions in the delivery of specific services and policy initiatives. SPS are specifically responsible for:

- engaging with the Authority on the policy priorities that need to be reflected in its business plan and budget submission;
- supporting any appropriate submission for funding necessary for the legitimate delivery or development of services and/or policy initiatives (via the business planning, budget setting and business case approval processes);
- supporting cases for approval required under government controls (internally within DH, to the



Cabinet Office or HM Treasury);

- reviewing the Authority's performance (at service specific accountability meeting held at regular intervals throughout the year) in terms of delivery of services, and the delivery of change programmes sponsored by the SPS; and
- consulting the Authority in a timely fashion about any policy proposals that are likely to significantly impact the Authority's operation.

relevant functions himself, or make arrangements for another body to do so on his behalf.

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

4.6.1. All funds allocated to NHS BSA must be spent on the statutory functions of NHS BSA. If any funds are spent outside the statutory functions of the NHS BSA the Department could seek adjustments to funding to compensate.

4.6.2. The Secretary of State may remove any non-executive member from the Board on the grounds of incapacity, misbehaviour or failure to carry out his or her duties as a non-executive member.

4.6.3. In the event of unresolved concerns about how NHS BSA is carrying out its functions, the Secretary of State is able to direct NHS BSA. If NHS BSA failed to comply with such Directions, the Secretary of State could either discharge

## 5. NHS BSA's Board

5.1. NHS BSA is governed by its board, which is responsible for establishing and taking forward the strategic aims and objectives of NHS BSA, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State. The role of the board is as described in the corporate governance code for central government departments<sup>3</sup> and includes holding its executive management team to account and ensuring the organisation is able to account to Parliament and the public for how it has discharged its functions.

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

Board for appointing the Executive Directors.

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

5.3. The responsibilities of the Chief Executive are:

- Safeguarding the public funds and assets for which the Chief Executive has charge.
- Ensuring propriety, regularity, value for money and feasibility in the handling of those funds.
- The day-to-day operations and management of NHS BSA.
- Ensuring that NHS BSA is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in *Managing Public Money*, including seeking and assuring all relevant financial approvals.
- Together with the Department, accounting to Parliament and the public for NHS BSA's financial performance and the delivery of its objectives.
- Accounting to the Department's Permanent Secretary, who is Principal Accounting Officer for the whole of the Department of Health's budget, providing a line of sight from the Department to NHS BSA.

<sup>3</sup> Guide to Cabinet and Cabinet Committees, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224997/Guide\\_to\\_Cabinet\\_Committees\\_2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224997/Guide_to_Cabinet_Committees_2012.pdf) (pages 6-9)

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

## 6. Partnership working

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

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

- Working together for patients, people who use services and the public, demonstrating our commitment to the values of

the NHS set out in its Constitution.

- Respect for the importance of autonomy throughout the system, and the freedom of individual organisations to exercise their functions in the way they consider most appropriate.
- Recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. NHS BSA support the Department in the discharge of its accountability duties, and the Department support NHS BSA in the same way.

6.3. In the event of an outbreak of pandemic flu or an emergency situation such as a terrorist attack, NHS BSA are responsible, with NHS Supply Chain (NHSSC) (DHL), for the procurement and logistics arrangements to be put in place for the NHS. NHS BSA have detailed contracts in place with DHL for the provision of emergency services in the event of such scenarios. The Department's emergency preparedness teams have worked with the Procurement, Investment and Commercial Division of the Department to make sure that all arrangements best support emergency planning arrangements. NHS BSA has in place business continuity plans in respect of its own business in the event of such scenarios occurring.

*Public and Parliamentary  
Accountability*

- 6.4. The Department and its ALBs share responsibility for accounting to the public and to Parliament for policies, decisions and activities across the health and care sector. Accountability to Parliament is often demonstrated through parliamentary questions, MPs' letters and appearances before parliamentary committees. Accountability to the public may be through the publication of information on NHS BSA's website, as well as through responses to letters from the public and responses to requests under the Freedom of Information Act.
- 6.5. The Department and its ministers remain responsible to Parliament for the system overall, so often have to take the lead in demonstrating this accountability. Where this is the case, NHS BSA will support the Department by, amongst other things, providing information for ministers to enable them to account to Parliament. In its turn, the Department provides leadership to the system for corporate governance, including setting standards for performance in accountability.
- 6.6. NHS BSA, however, has its own responsibilities in accounting to the public and to Parliament, and its way of handling these responsibilities is agreed with the Department. In all matters of public and parliamentary accountability the Department and its ALBs

work together considerately, cooperatively and collaboratively, and any information provided by NHS BSA will be timely, accurate and, where appropriate, consistent with information provided by the Department. To facilitate this, the Department and NHS BSA have agreed a public and parliamentary accountability protocol that sets out how they work together to secure the confidence of the public and Parliament, and to maintain the service levels that MPs and the public have come to expect.



## 7. Transparency

- 7.1. NHS BSA is an open organisation that carries out its activities transparently. It demonstrates this by proactively publishing on its website key information on areas including pay, diversity of the workforce, performance, the way it manages public money and the public benefits achieved through its activities, and by supporting those who wish to use the data by publishing the information within guidelines set by the Cabinet Office<sup>4</sup>. NHS BSA produces an annual report. This includes a governance statement, which is to be reviewed by the SDS. NHS BSA holds one public meeting per year. It is not legally required to hold open board meetings. If the Secretary of State directs the NHS BSA to make an annual report, which is standard practice, the NHS BSA must however present that annual report at a public meeting.
- 7.2. To underpin the principles of good communication, ‘no surprises’ and transparency, NHS BSA and the Department have put in place arrangements

<sup>4</sup> The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, “the principles in the Code generally hold across other parts of central government, including departments’ arm’s length bodies”.

for managing communications. Further details are provided in Annex C.

- 7.3. NHS BSA’s executive and non-executive board members operate within the general principles of the corporate governance guidelines set out by HM Treasury<sup>5</sup>. They also comply with the Cabinet Office’s Code of Conduct for Board Members of Public Bodies<sup>6</sup> and NHS BSA’s rules on disclosure of financial interests.
- 7.4. NHS BSA has developed a code of conduct for all staff which complies with the principles in the Cabinet Office’s model code for staff of executive non-Departmental public bodies<sup>7</sup>, which includes rules on conflicts of interest, political activity and restrictions on lobbying.

<sup>5</sup> The guidance is available on the Gov.UK website: <https://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>

<sup>6</sup> The corporate governance guidelines available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments> are written for central government departments, although, as it says in the guidelines, “the principles in the Code generally hold across other parts of central government, including departments’ arm’s length bodies”.

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

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

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

7.7. NHS BSA, as with the Department and all its ALBs, should have whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance (nhsemployers.org). It should prohibit the use of confidentiality clauses that

seek to prevent staff from speaking out on issues of public interest.

### *Sustainability*

7.8. As a major public sector body, NHS BSA has a key role to play in driving forward the government's commitment to sustainability in the economy, society and the environment. As a minimum, NHS BSA should comply with the Greening Government Commitments<sup>8</sup> that apply to all government departments, executive agencies and non-departmental public bodies, set out in the action plan for driving sustainable operations and procurement across government. Reporting is to be via the Department (including the consolidation of relevant information in the Department's annual resource account), and the Department ensure that NHS BSA is aware of the process for this.

<sup>8</sup> <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>

<sup>9</sup> <http://nhsemployers.org/EmploymentPolicyAndPractice/UEmploymentPractice/RaisingConcerns/Pages/Whistleblowing.aspx>

## 8. Audit

- 8.1. The Comptroller and Auditor General audits NHS BSA's annual accounts. NHS BSA lay them before Parliament, together with his report.
- 8.2. The Comptroller and Auditor General may also choose to conduct a value-for-money audit of any aspect of NHS BSA's work: NHS BSA will cooperate fully with the NAO in pursuing such audits, and give it full access to all relevant files and information.
- 8.3. NHS BSA is responsible for establishing and maintaining internal audit arrangements in accordance with the Public Sector Internal Audit Standards. NHS BSA's internal audit function should report to its Audit and Risk sub-committee, and should consider issues relating to NHS BSA's adherence to its business plan. The Department's Audit and Risk Committee remit includes risk management, corporate governance and assurance arrangements in all its subsidiary bodies and so NHS BSA's Audit and Risk Committee should work closely with the Departmental committee.



## 9. Delegations and financial management

- 9.1. Details of NHS BSA's financial arrangements, including funding allocation, in-year reporting, preparation of accounts, and the accounting officer's responsibilities in relation to financial management and NHS BSA's accounts, are provided in Annex B.
- 9.2. NHS BSA's overall revenue and capital resources are set out each year in a letter from the Senior Departmental Sponsor to the Chief Executive of NHS BSA.
- 9.3. NHS BSA's delegated authorities are issued to it by the Department, including those areas where NHS BSA must obtain the Department's written approval before proceeding. NHS BSA adheres to these delegated authorities.
- 9.4. NHS BSA must demonstrate that it is delivering its functions in the most efficient manner, and must provide timely returns to the Department where these are required either by it or by other departments within central government.
- 9.5. NHS BSA, as with all public bodies and government departments, must operate within any relevant set of efficiency controls. These controls may affect areas of spend such as information communications technology (ICT), marketing and advertising, procurement, consultancy, the public sector estate, recruitment, major projects or strategic supplier management. The Department ensures that NHS BSA is kept informed of any efficiency controls in operation.
- 9.6. As part of the government's approach to managing and delivering public service at a reduced cost base, NHS BSA, as with all other arm's length bodies and the Department, will in future, where appropriate, receive its back office support, including finance and accounting, HR, payroll, procurement and ICT, through a shared or standardised service approach. Details of the services between NHS BSA and the service provider will be set out in contract or where appropriate a service level agreement (SLA).
- 9.7. A shared or standardised value for money approach will also apply to the use of estate. NHS BSA will comply with guidance on property and asset management, as set out in Annex A, and the principles set out by the Department's Estate Strategy Optimisation Board.

## 10. Risk management

10.1. NHS BSA ensures that it deals with the risks that it faces in an appropriate manner, according to best practice in corporate governance, and develop a risk management strategy in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*<sup>9</sup>. It has adopted and implemented policies and practices to safeguard itself against fraud and theft, in line with HM Treasury guidance<sup>10</sup>. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

10.2. NHS BSA has developed a reporting process to assure its board of financial and operational performance against the business plan at its board meetings which take place eight times a year. This assurance report includes information on risks and how they are being managed in accordance with the Treasury guidance mentioned above. The information prepared is shared with the Department to enable the Department to assure itself on risk management. NHS BSA and the Department agree a process and trigger points for the escalation of risks to the DH Assurance and Risk Committee (DH ARC), where those risks will have a

potentially significant impact on NHS BSA, DH or the wider system that requires a co-ordinated response.

10.3. Risks to the wider system that arise from the NHS BSA's operations, identified by NHS BSA, DH or another body, are flagged in the formal quarterly accountability meetings chaired by the SDS. Such risks may also be flagged by NHS BSA's Board and escalated to the DH ARC for consideration. It is the responsibility of NHS BSA and its sponsor to keep each other informed of significant risks to, or arising from, the operations of NHS BSA within the wider system.

10.4. NHS BSA has effective and tested business continuity management (BCM) arrangements in place to be able to respond to disruption to business and to recover time-critical functions where necessary. In line with Cabinet Office guidelines, the BCM system should aim to comply with ISO 22301 Societal Security – Business Continuity Management Systems.

<sup>9</sup> [http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf)

<sup>10</sup> [http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)

## 11. Human resources

11.1. NHS BSA is responsible for recruiting staff, but complies with any departmental or government-wide recruitment controls. The Department ensures that NHS BSA is made aware of any such controls. Very senior managers in NHS BSA are subject to the Department of Health pay framework for very senior managers in arm's length bodies, and may be subject to additional governance as specified by the Department. The Department ensures that NHS BSA is aware of any such requirements or restrictions.

11.2. NHS BSA must obtain the approval of the Secretary of State in respect of policies relating to remuneration, pensions, allowances or gratuities.

11.2.1. Very senior manager remuneration is subject to the recommendations of the Senior Salaries Review Body.

11.2.2 In relation to pensions, the organisational pension scheme is the NHS Pensions scheme, which is administered by the NHS Business Services Authority and has rules set down in legislation.

11.3. Like all departments and arm's length bodies, NHS BSA is required to follow any requirements for disclosure of pay or pay-related information.

11.4. Subject to its financial delegations, NHS BSA is

required to comply with the Department's and HM Treasury's approval processes in relation to contractual redundancy payments. All novel or contentious payments require the Department's and HM Treasury's approval. Special severance payments are always considered novel or contentious (this includes any proposal to make a payment as a result of judicial mediation)

### *Equalities*

11.5. The public sector equality duty requires NHS BSA (as a public body) to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

11.6. The specific duties require NHS BSA, as a public body, to:

- Annually, publish information to demonstrate compliance with the Public Sector Equality Duty. This information must include, in particular, information relating to persons who share a relevant protected characteristic who are its

employees (provided the organisation has 150 or more employees) and other persons affected by its policies and procedures.

- Prepare and publish one or more objectives it thinks it should achieve to meet the Public Sector Equality Duty.<sup>11</sup>

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<sup>11</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)

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

- 12.1. NHS BSA works in partnership with the Department and its other arm's length bodies, in the interests of patients, people who use services and the public, to maximise the health and wellbeing gain for the population, and working to the values set out in the NHS Constitution.
- 12.2. The Department and its arm's length bodies have complementary but distinct roles within the system to ensure that service users receive high quality services which deliver value for public money. Details of the working arrangements with these bodies are agreed and set out in a partnership agreement.

### *Relationships with other ALBs*

- 12.3. NHS BSA has the following relationships with other ALBs and NHS bodies:
  - NHS BSA hosts staff for NHSE, NTDA and HEE. HR services are also provided for these ALBs.
  - NHS BSA collects data on a range of issues which it shares with the Health and Social Care Information Centre.
  - NHS BSA also provides services via agreements to devolved administrations.

### 13. Review

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