

## NHS Business Services Authority Summary of Minutes of the NHSBSA Board Meeting held at 9.00am on 10 December 2015.

### Present:

Silla Maizey	Chair
Nick Scholte	Chief Executive
Mark Ellerby	Non-Executive Director
Andrew Flanagan	Non-Executive Director
Malcolm Green	Non-Executive Director
Alistair McDonald	Director of Service Delivery
Steven Pink	Director of Change and Commercial Delivery

### In Attendance:

Mark Dibble	Corporate Secretary
Nigel Zaman	Department of Health
Sharon Constançon	Genius Methods
Graham Fowler	Senior Management Accountant (Items 2 & 6 only)
Darren Curry	Business Planning and Assurance Manager (Items 4 & 5 only)
Mike Turner	Head of Commercial Strategy (Items 4 & 5 only)
Anna Butterfield	Acting Head of Learning & OD (Item 4 only)
Sarah Jones	Head of Strategic Sourcing (Items 4 and 5 only)
Andrew Woodward	Enterprise Architect (External Consultant) (Item 5 only)
Peter Sparshot	PwC Pensions Re-Procurement Transformation Programme Lead (Item 5 only)

### Apologies:

Patrick McGahon	Director of Finance and Corporate Services
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### 1. Chief Executive's Report

The report and discussion included:

- A summary of the Chancellor's spending review and the key issues, policy themes and the likely impact on the NHSBSA; and
- The decision to replace NHS student bursaries with loans.

**Outcome:** The Board **NOTED** the Chief Executive's report.

## 2. Strategy 2016-21 and Business Plan 2016/17

The report and discussion included:

- The NHSBSA's financial plan for 2016/17,
- Planned approach to meeting the challenges of the spending review,
- Proposals regarding service changes, staffing reductions and digitisation plans; and
- The financial agreement reached with the DH and potential implications for 2016/17.

The Board **SUPPORTED** the proposed approach for the NHSBSA's new Strategy and Business Plan for 2016 onwards and **APPROVED** submission of the existing financial plan to the DH as part of ongoing discussions.

## 3. Service Delivery Report

Mr McDonald introduced the report, which included:

- Consideration of service delivery against key performance indicators, any areas highlighted to be underperforming and the steps taken to resolve these,
- An update from the Pensions Board meeting in October 2015; and
- An update on the Electronic Prescription Service (EPS), including increased levels of utilisation and the levels required to deliver significant reductions in processing costs.

**Outcome:** The Board **NOTED** the Service Delivery Report.

## 4. Change and Commercial Delivery

Mr Pink introduced the report, which included:

- Progress with the Pacific Programme and the potential impact of the wider spending review,
- The good progress made with digitisation activity which was on track to deliver initial digital services in the first half of 2016,
- An overview of the strategic sourcing team, it's role and its current focus,
- The recent review of the change programme which had reduced the overall number of supported projects to ensure resources were available; and

- The recent work undertaken by the Learning and Organisational Development Team to implement agreed team re-structuring.

**Outcome:** The Board **NOTED** the report.

## 5. Board Approvals

Mr Pink introduced the report which included a number of items requiring the Board's approval to proceed. Members were reminded that all matters had previously been discussed by the Board, and if approved would still require consideration from the Department of Health and the Cabinet Office.

### ITIS Business Case

Mr Turner provided an overview of the IT Infrastructure and Sourcing (ITIS) business case. The programme would deliver a new and sustainable IT infrastructure. He described the benefits and associated costs.

Members considered the business case. They discussed the disaggregated approach and the ability to measure the benefits of change outlined in the business case.

**Outcome:** The Board **APPROVED** the business case, following which detailed discussions with the Department of Health would continue and acknowledged that ultimately approval from HM Treasury was required.

### Capita Contract Extension

To support the ITIS business case the Board were asked to approve a 12 month extension to the existing Capita IT and Dental contract, which was due to end in December 2016.

Ms Jones explained why the proposal sought to extend the contract in its entirety, how the contract would be extended and the likely next steps.

**Outcome:** The Board discussed and **APPROVED** the proposed extension to the Capita contract and **DELEGATED** authority to the Chief Executive to progress as necessary.

### Capita Compass Support Contract

To ensure adequate support for the new dental system, Compass, the Board were asked to support the agreement of a support contract. This additional contract would allow the NHSBSA to access support as required. The support would only be

required once the main Capita contract expired. Negotiations were due to be complete by 18 December 2015.

**Outcome:** The Board **APPROVED** the Chief Executive to agree such a contract when negotiations were complete.

## **Pensions Re-Procurement Outline Business Case**

Mr Sparshott described the current pension provider marketplace and explained the preferred option identified.

The Board discussed the support across Government for the proposed approach and were satisfied that relevant stakeholders were supportive.

Outcome: The Board **APPROVED** the business case.

## **Information Services Contract**

Mr Curry described the current Data Analytics Learning Laboratory (DALL) arrangements, the use of Oracle products and plans to improve resilience. The business case sought to provide disaster recovery facilities and improved backup capability. He also outlined the proposed new contract for Oracle products.

Following an evaluation process, it was proposed that the existing Capita contract was utilised to provide new Oracle hardware and licences.

Outcome: The Board **APPROVED** the contract award.

## **6. Finance and Corporate Services Report**

Mr Fowler introduced the report which included:

- An update on the NHSBSA's financial position which was forecasting a breakeven position at the year end,
- Ongoing discussions with the Department of Health to confirm capital funding,
- Progress of the improvement plan for HR and OD Shared Services,
- Completion of transfer of procurement services to NHS England; and
- Progress with discussion regarding the future operating model for NHS Supply Chain.

**Outcome:** The Board **NOTED** the update.

## 7. Progress Against Strategic Goals

Mr Scholte presented an update regarding the NHSBSA's overall progress towards its strategic goals. The Board discussed progress, particularly with regard to the reduction of unit costs.

Outcome: The Board **NOTED** the update.

## 8. Governance Report

Mr Dibble introduced the governance report. He highlighted a recent reportable incident not included in the report. Members discussed the incident and the actions being taken.

**Outcome:** The Board **NOTED** the update.

## 9. Register of Board Members' Interests

The Board **NOTED** the current interests declared by members of the Board as:

Ms Silla Maizey

- Director and Company Secretary, Saffron Solutions Ltd
- Non-Executive Director, John Menzies plc
- Non-Executive Director, Crown Commercial Services Board

Mr Malcolm Green

- Non-Executive Director of Thrive Homes

Mr Andrew Flanagan

- Commissioner for the Civil Service Commission
- Member of Advisory Board at NHS NELCSU
- Non-Executive Director at CIPFA Business Services Ltd
- Non-Executive Director for the Criminal Injuries Compensation Authority
- Chairman of the Scottish Police Authority

Mr Mark Ellerby

- Independent industry advisor to Advent International on healthcare provision opportunities and investments
- Non-Executive Director, Leeds Teaching Hospitals NHS Trust

Mr Nick Scholte

- Nothing Declared

Mr Patrick McGahon

- Nothing Declared

Mr Steven Pink

- Nothing Declared

Mr Alistair McDonald

- Nothing Declared

Although Mr Hulf had now left the Board, his interests would be recorded in the end of year annual report. It was therefore **NOTED** that he had declared an interest as a Non-Executive Director and Chair of the Audit Committee for National Savings and Investments

## 10. Any Other Business

The Board also **NOTED** an update from the Audit Committee.

## 11. Date and Venue of the Next Meeting

The next meeting would be held on **14 October 2015**, at Stella House in Newburn.