

SUCCESS STORY

NHS SHARED BUSINESS SERVICE

Saving the NHS millions



Achieving huge economies of scale while demonstrating both innovation and best practice in business efficiency.

The challenge

As the world's largest publicly-funded health service the NHS offers a comprehensive system of healthcare for all UK residents. It employs over 1.7 million people and deals with around 1 million patients every 36 hours. Understandably, operational efficiency is a priority for all NHS organisations - yet the savings must be achieved without undermining the delivery of a world class health service.

In 2005, the Department of Health chose to meet this challenge by forging a unique joint venture commercial partnership with Steria (now Sopra Steria). NHS Shared Business Services (NHS SBS) was set up to deliver back office functions in a shared services model that would bring economies of scale, cost savings and best practice business processes to participating NHS trusts.

Key points

- Delivered £224m savings to the NHS in 2014, 12 months' ahead of the 10-year target
- Targeting £1 billion of cost and efficiency savings for the NHS by 2020
- Provides finance and accounting for 100% of all NHS Commissioning organisations and a range of services to around 30% of NHS Provider Trusts.
- Enabling NHS trusts to focus on strategic decision-making and business improvement activities

- High performing shared service delivering economies of scale, cost savings and best practice processes
- Significant savings for NHS trusts - on average achieving 30% savings on back office costs
- Fully integrated UK and India service delivery, providing strength in process industrialisation and service innovation
- Consistent 99% or higher accuracy across all payroll and employee benefits services

Our solution

Initially providing finance and accounting back office processing, NHS SBS now provides its clients with a wide range of value-added services. These award-winning services enable NHS trusts to focus on strategic decision making, business improvement activities and release funds which can be reallocated to frontline care.

The services embrace the more usual back office processes on top of F&A, such as payroll and pensions and operational procurement, as well as specialist finance services including VAT support, capital purchasing and project management expertise.

How we worked together

A culture of innovation and customer focus rapidly brings new services into play. For example, when the UK Treasury announced the VAT rate change, adjustments were made so trusts could move seamlessly to the new rate.

Similarly, when NHS Trusts needed to introduce auto enrolment of work pensions, NHS SBS became the 'go-to' expert and supported clients by handling multiple auto-enrolment staging delivery.

A focus on operational excellence and continuous improvement is a business strategy for which there is a robust programme of activity. This has included investment in systems and the development of added-value services. For instance, NHS SBS partnered with Tradeshift to introduce an innovative e-invoicing platform that would speed up payments and support the drive towards making the NHS paperless. Other new services include ePay, a web-based solution for effective claims management and the range of Commissioner Support Services, designed to meet the needs of Clinical Commissioning Groups.

Service excellence is paramount and by operating a shared services delivery model, NHS SBS is able to deliver economies of scale. For example, NHS SBS is the largest Oracle shared platform user in the UK, enabling clients to share data across the business without the cost of numerous Oracle licences. This capability was reinforced with the award of a contract to provide the Integrated Single Financial Environment (ISFE) to NHS England as part of a strategy to replace a legacy of systems with one robust accounting platform across the whole commissioning landscape.

Since April 2013, NHS SBS's ISFE has been providing finance and accounting services for 211 clinical commissioning groups and 23 commissioning support units. By the first year-end over three million invoices had been processed and, for the first time since the inception of the NHS, there was a consistent set of accounts.

The automation and standardisation of labour-intensive transactional processes, along with an integrated onshore-offshore delivery approach are other key elements of the business model. NHS SBS uses its strength in Business Process Outsourcing industrialisation to develop new ways of working to transform and modernise the NHS.

Results and benefits

NHS SBS clients benefit from the efficiency and cost savings made through innovation and sharing of best practice. Access to accurate and timely management information improves financial controls and helps meet the demand for accountability. Highlights include:

- Finance and accounting team process over £170 billion of NHS payments annually
- Largest provider of payroll and pension services to the NHS - paying 300,000 NHS employees and processing over 2.5 million payroll transactions per annum
- Procurement- savings opportunities of £350 million in procurement costs identified

“ I am a convert to shared services. In my early days as a finance director I wanted to control payroll, accounts payable etcetera so they were kept in-house, but now I don't see that as my core business. The business of a health care provider is providing healthcare, not managing the complexity of payroll or the accounts function. Things like that are better done at scale. I challenge any organisation to provide the same services cheaper in house. ”

Jonathan Tringham,
Director of Finance,
Staffordshire
Stoke-on-Trent
Partnership NHS Trust



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