

**HSC BUSINESS SERVICES ORGANISATION**

**Minutes of Proceedings**

The fortieth meeting of the Business Services Organisation (BSO) was held on Thursday 30 August 2012 at 2.00 pm in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

**Present**

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy

Mr David Bingham (Chief Executive)

Mr Alan Hanna

Mr Paddy Anderson (Director of Finance)

Mr Greg Irwin

Mr Hugh McPoland

Mrs Hilary McCartan

Mrs Teresa Molloy

Mr Robin McClelland

Mr Gerry Strong

**In Attendance**

Mrs Karen O'Loan – Director of Customer Care and Performance)

Mr Shane Devlin – BSTP Programme Director

Miss Amanda Mills (Secretary to the Board)

1. **Apologies**

Apologies for absence were received from Brian McMurray, Sean Mahon and Alphy Maginness.

2. **Chairman's Business**

The Chairman referred to the forthcoming Recognition and Award event which is scheduled to take place on 27 September 2012 in Antrim. A significant number of applications have been received, and as agreed at a previous Board meeting, a judging panel comprising of two non- executive directors would be established. To that end he requested if any of the non-exec directors could make themselves available to facilitate this process that they would make contact with the Chief Executive's Office.

3. **Minutes**

(i) *Minutes of Meeting held on 9 July 2012*

The minutes of the Board meeting held on 9 July 2012 were agreed subject to a minor amendment. Once this amendment is made the Chairman will sign the minutes.

4. **Matters Arising from Minutes**

It was noted that any matters arising are covered in the agenda for today's meeting.

5. **Financial Matters**

(i) **Finance Update**

The Director of Finance presented the Finance Report for the four- month period ended 31 July 2012. The overall position for each segment of the organisation was outlined to members. It was noted that the financial report showed that the income and expenditure account for the period ended presented a modest surplus position which had been generated by core services and offset by a deficit in managed services, created by Healthy Start. Mr Anderson advised members that BSO will implement forecast Latest Best Exercise (LBE) throughout this financial year as was previously done in 2011/2012.

The Director of Finance informed members that the Department have approved a number of capital expenditure bids for 2012/13 amounting to £63k. Two bids which have been categorised as Essential iro FPS and ITS are still being considered by the Department.

Members noted the summary finance report.

6. **Update on Management of Contracts**

The Chief Executive updated members on the issues raised in the Management of Contracts Internal Audit report which provided a Limited Assurance and resulted in a qualified regularity opinion in respect of the BSO's 2011/12 Accounts. He advised that SMT had received weekly reports on the recovery process setting out the action being taken to regularise all non-compliant contracts. This accountability process has been in place since June 2012. It has now been decided to present the recovery plan on a fortnightly basis from the end of August. Members were advised that approx 80% of the potentially non-compliant contracts have now been scrutinised and authorised either through approved single tender actions (STAs) or through a tender award.

SMT commissioned Internal Audit to commence work on the audit of all PaLS activity and presents reports on a regular basis to SMT. To date Internal Audit has reviewed 750 contracts and have concluded that "no significant issues have been identified to date relating to activity outside valid contract terms".

Negotiations are still on-going with NHS Supply Chain to progress the feasibility of re-sourcing some of the non-compliant contracts, however as stated at the July Board meeting the costs provided to date by NHS Supply Chain on the work packages examined would generate additional costs overall. Given this position, BSO has made the decision to continue with existing contracts and approval will be sought using STA processes for the period up to new contracts are awarded. PaLS will continue to work with NHS Supply Chain to explore re-source of areas where there would be benefit and establish supply arrangements where feasible and value for money to HSC.

The Department have held a series of meetings with officers from BSO and are provided with the weekly recovery plan reports which are presented to SMT. BSO has now been formally notified that the Department will establish a Procurement Oversight Group (POG) and a terms of reference has been produced. It is envisaged that the inaugural meeting will take place in early September and the Chief Executive will attend this meeting on behalf of BSO. The Department has requested that BSO produce an Action Plan for consideration by POG, a copy of which was tabled to members for information.

A lengthy discussion ensued particularly regarding the use of STAs by public bodies. It was recognised that the process which BSO is operating will bring transparency to the decisions to undertake any direct award or extend contracts. Members were assured that the appropriate action to document and scrutinise direct awards in line with the requirements of the departmental circular was in place as part of the Recovery Plan. It was also noted that the action being taken in respect of this matter will support an improved controls framework within BSO, and be specified in the Statement of Internal Control (SIC) for 2012/2013.

A further update will be presented to the September Board meeting.

Members noted the position.

#### **7. Update from Board Sub-Group re Gartner**

The Chairman advised members that a further meeting of the Board sub-group took place prior to today's Board meeting and a note of the meeting will be appended to the agenda for the September Board meeting. A significant amount of work has taken place over the Summer to address the Priority 1 issues raised in the Gartner Report. The VM version upgrade within the Data Centres has been completed and the roll out of data replication is on-going. IBM have produced a further report into the second SAI outage and it was agreed that this report would be sent to Gartner for their view. The Chief Executive informed members that he has met with staff in ITS and discussed the changes.

The Director of Finance informed members that despite the publication of a HSC wide trawl and public advertisement, the BSO received a poor response for the IT Project Director post. The Chairman stressed the urgency of this situation and requested that immediate steps be taken to fill this post. A possible option would be to consider the issue of staff substitution and the Directors of Finance and HR will investigate this option. It was noted that a Project Initiation workshop is being

arranged for late September/early October and work would commence as soon as the Project Director was in post.

Members noted the position.

8. **Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented paper BSO 59/2012 setting out the performance of key service areas in the BSO for the period up to 31 July 2012.

At the invitation of the Chairman the relevant Directors briefed members on the rationale of the indicators which were highlighted either amber or red. In particular the Director of Operations advised that the target/measure iro Dental payment failure rate may have to be revised.

Geraldine Fahy stated that she would like to know the length of time it takes to address the issues highlighted in the scorecard which fall outside the performance targets.

Greg Irwin suggested that he would like to see in future scorecard reports further indicators iro Learning and Development within the organisation. It was also suggested if consideration could be given to BSO hosting a joint training event with other Board members of HSC organisations. The Chairman will discuss this matter with the Chief Executive.

Members noted the information contained within the Corporate Scorecard.

9. **BSTP and Shared Services Update**

The BSTP Programme Director updated members on recent developments regarding the BSTP Project and made a presentation on the progress on the key risks and challenges of delivering the FPL and HRPTS systems to HSC. The Director of Operations subsequently made a presentation on the implementation of Shared Services Centres and briefed members on the risks and challenges facing the project. Hilary McCartan suggested that it would be helpful if a paper setting out the corporate risks iro shared services project be presented to the Board at a future date.

Members noted the position.

10. **Annual Review of Progress 2011/2012 on the Implementation of Section 75 to the Equality Commission**

The Director of Customer Care and Performance presented the Annual Progress Report on the Implementation of Section 75 to the Equality Commission for 2011/2012.

The Annual Review was approved by the Board subject to a few minor amendments.

11. **HR & Corporate Services Report**

The Director of Human Resources presented paper BSO 61/2012 which set out a range of workforce information relating to BSO staff for the period April 2012 to June 2012.

The Corporate Services Report relating to the same period was also considered by members. It was noted that during this period the BSO received 5 complaints which were processed in accordance with the Complaints Policy. The complaints ranged across a number of individual subjects and matters.

Members noted the HR and Corporate Services Report.

12. **Code of Conduct and Accountability for Board Members of HSC Bodies**

Members considered Paper BSO 62/2012 detailing the Code of Conduct of Code of Accountability for Board Members of HSC bodies. The Chairman advised that he has requested that a training session be held regarding this matter and suggested that the session be held at lunchtime prior to the Board meeting on 29 November.

The Chief Executive's Office will confirm the details with members.

13. **Leadership for Success**

The Director of Human Resources and Corporate Services presented paper BSO 63/2012 which set out the details of a major leadership development programme for staff at Band 5 and above in 2012/2013. The programme has been broken down into 3 categories:-

- Developing your Leadership Potential – Bands 5 and 6 – *64 participants*
- Leadership for Performance – Band 7 and 8A- *40 participants*
- Leadership for Change – Band 8B and above – *22 participants*

Members noted with interest this training initiative.

14. **GAC**

(i) *Minutes of Meeting held on 29 May 2012*

Members noted the minutes of the GAC meeting held on 29 May 2012

(ii) *Minutes of Meeting held on 21 June 2012*

Members noted the minutes of the GAC meeting held on 21 June 2012.

15. **Declaration of Interests of Board Members**

A summary of member's declared interests for 2012/2013 was presented and it was noted that the Register is available for public inspection. Members were reminded that if they feel uncertain as to whether they may have to declare an interest they can contact the Chairman or the Chief Executive for advice.

16. **Any Other Business**

There was no any other business.

17. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 27 September 2012 in the Old Courthouse, Antrim.

The Chairman thanked everyone for attending and closed the meeting.

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Chair

\_\_\_\_\_  
Chief Executive

Date \_\_\_\_\_