

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The forty fifth meeting of the Business Services Organisation was held on Thursday 31 January 2013 at 2.00 pm in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

Present:

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy

Mr Greg Irwin

Mr Alan Hanna

Mrs Hilary McCartan

Mr Robin McClelland

Mr Brian McMurray

Mr Gerry Strong

Mr David Bingham (Chief Executive)

Mr Patrick Anderson (Director of Finance)

Mr Hugh McPoland (Director of HR&CS)

Mrs Teresa Molloy (Director of Operations)

In Attendance:

Mr Shane Devlin (Director of Business Systems Transformational Programme)

Mr Alphy Maginess (Chief Legal Adviser)

Mrs Karen Bailey (Director Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

Mr Kevin Clarke (HR Trainee)

1. Apology

An apology for absence was received from Mr Sean Mahon.

2. Chairman's Business

At the outset of the meeting the Chairman welcomed Kevin Clarke, HR Trainee who was observing the meeting.

The Chairman informed members that he had recently received correspondence from the Chair of the GAC advising him of the Committee's concerns regarding some IA reports which were presented to the January GAC meeting. Following discussion with the Chief Executive, the Chairman has decided to convene a special confidential meeting of the Board in early February to review the audit reports in more detail with the Directors concerned. The Chairman will also place BSTP on the agenda for this meeting and will ask Shane Devlin to brief the Board on the current status of the project and the Chief Executive to discuss proposals to take BSTP forward, due to the imminent departure of Shane Devlin in February 2013. Following discussion it was agreed the Board meeting would take place on Thursday 7 February 2013 at 12 Noon at BSO HQ.

Members were advised that the Minister recently visited BSO HQ on 9 January 2013 where he visited the Bowel Screening Unit and the FPS Pharmacy Payments Department and was briefed on the changes made to the operation in order to move to a 30-day payment.

The Minister has now asked to visit PaLS at Boucher Crescent and will be given a tour of the warehouse and briefed on the technology used in the Warehouse operation. Arrangements are being made to facilitate the visit.

The Chairman referred to the meeting held at lunchtime today with non-executive colleagues where it was agreed that a workshop should be arranged for Board and SMT to examine the various strategic challenges facing the BSO over the next financial year. It was agreed that the workshop will take place in the Spring. The Chief Executive's Office will liaise with the Director of Customer Care and Performance to organise this event.

3. Minutes

The minutes of the Board meeting held on 20 December 2012 were agreed as a true and accurate record of proceedings and were signed by the Chairman.

4. Matters arising from Minutes

(i) Payment to Community Pharmacists – Accelerated Payments Project – Minute 8

The Director of Operations reported that the dual submission regime which had been rolled out in November had continued successfully in December however there was a slight drop in contractors' performance in terms of timeliness of their submission by the required dates. She added however there was an on-going improvement of the quality of scripts being submitted. The auto coding of scripts has now exceeded the required level of 65% which is the minimum required to meet a 30 day payment. The BSO received approval to purchase an additional 2 scanners and these are now operational. Work is well advanced with staff on the changes to workforce practices and increased flexibility of staff across a number of aspects of the payment process.

(ii) Board Governance Self Assessment Tool for all DHSSPS sponsored Arms Length Bodies (ALBs) – Minute 14 (i)

The Chairman informed members that he has established a sub group to review the Board Self Assessment questionnaire. A proposal will be presented to the February Board meeting.

5. Financial Matters

The Director of Finance presented the Finance Report for the nine-month period ended 31 December 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 presented a surplus position which had been generated by Core Services, offset by a deficit within Managed Services and BSTP. This report also reflected the outcome of the most recent Latest Best Estimate (LBE2) exercise, based on Month 8 actuals. Attention was drawn to the on-going uncertainty regarding the integrity and accuracy of the stock trading account and the stock balance on the Organisation's Balance Sheet as a result of a number of on-going problems associated with stock issues to Trusts, following the implementation of new FPL systems. These issues would be discussed in more detail later in the meeting's agenda. The Director of Finance advised that he had briefed DHSSPS Director of Finance as well as Trusts' Directors of Finance on the issue. The BSTP Programme Director advised that the systems issues have been raised with the FPL contractor and it is hoped that the matters will be resolved as a matter of urgency.

The Board noted the financial position as at 31 December 2012.

6. Update of Management of Contracts

The Chief Executive presented paper BSO 2/2013 which provided members with an update on the Management of Contracts Recovery Plan. The Chief Executive also included an extract from the PALS report setting out detailed information on the progress of the Recovery Plan, which is currently ahead of schedule.

It was noted that following discussion at the NICS Procurement Board the COPE re-accreditation process will be brought forward from the originally planned date of October 2014 to October 2013. In answer to a question from Hilary McCartan, the Director of Operations advised that a gap analysis will be undertaken and an action plan developed based on the new accreditation criteria agreed by the NICS Procurement Board and that this will require a significant amount of work from management in assembling the file of evidence and undertaking the re-accreditation process.

It was agreed that the Board would be kept apprised of this matter.

A third paper was also presented to members on the BSO's draft response to the recommendations contained in the Department's Audit Report and a supporting draft action plan. This paper has been sent in draft form to the Department to inform discussions of the next meeting of the Procurement Oversight Group scheduled to take place on 1 February 2013. The Chief Executive advised that he has established a project group to oversee the operational monitoring and reporting of implementation of the Audit report recommendations. Membership of the group will be:- the Director of Operations, Director of Human Resources and the Assistant Director of Pals. The work of the group falls under 6 strands. These are:-

- Training programme to enhance professional practice and development
- Organisational review of work processes and management structures
- Workforce planning
- Information systems
- Governance and Risk
- Implementation by BSO of DHSSPS Procurement Board recommendations.

The group held its first meeting on 17 January 2013 where each member was allocated responsibility for a strand and an outline timetable for reporting. The group will meet again in February.

Members approved the BSO's draft response to the recommendations contained in the Department's audit report and the draft action plan subject to minor amendments.

7. BSTP and Shared Services Update

The BSTP Programme Director advised members of the continuing problems which have occurred with the FPL System. The Corrective Action Plan has been produced to address the areas of concern; these include interface issues in the logistics processes, intermittent performance issues and data conversion issues.

HRPTS went live with the core element of the solution and the first payroll process was successful. The Employee Self Service (ESS) and Management Self Service (MSS) are scheduled to go live in BSO on 4 February 2013.

The revised Outline Business Case (OBC) for Shared Services accommodation has been submitted to the Department and DFP for approval. The Department subsequently came back to BSO with queries. The Director of Operations has held meetings with Health Estates to assess the impact of the accommodation timetable on the current dates for the establishment of Shared Services Centres.

Members noted the position.

8. Draft BSO Annual Business Plan for 2013/2014

The Director of Customer Care and Performance presented a draft business plan for 2013/2014. The contents of the plan take into account the outcomes of the BSO Strategic Planning Workshop held on 24 October 2012, SMT meetings and the Permanent Secretary's correspondence of 12 December 2012 relating to BSO requirements for 2013/2014 Annual Business Plans. It was noted that BSO has been in regular contact with the BSO's Sponsor Branch in the Department on the approach BSO is taking on developing the Business Plan and have endorsed this approach to date, however there are still a number of points which are being debated upon. A lengthy discussion ensued and it was suggested and agreed that a context section should be incorporated into the Plan. Discussion also centred on Departmental Priority No. 37 "Take steps to maintain/improve the quality of information/data being presented to the BSO Board".... It was agreed that papers for presentation to the Board will be endorsed by SMT two weeks in advance of the monthly Board meetings.

The draft business plan for 2013/2014 was approved subject to the comments suggested by members.

9. Corporate Balanced Scorecard

The Director of Customer Care and Performance presented paper BSO 5/2013 setting out the performance of key service areas in the BSO for the period up to 31 December 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 Customer Care and Performance advised that due to the problems incurred with the implementation of the new FPL system, the figures were unavailable for Indicators C2 and C3.

Members noted the Corporate Scorecard for December 2012.

10. HR & Corporate Services Report

The Director of Human Resources presented paper BSO 6/2013 which set out a range of workforce information relating to BSO staff for the period April 2012 to December 2012. It was noted that there continued to be a gradual increase in staff absenteeism. Mr McPoland assured members that HR are addressing this matter and taking appropriate action.

The BSO has now received formal confirmation from Investors in People that BSO have achieved formal accreditation against the core standards. A meeting with the IIP Assessor has been arranged to discuss the development of an action plan.

The Corporate Services Report relating to the same period was also considered by members. It was noted that BSO has received correspondence from the Information Commissioner (IC) following a data breach. The IC following investigation of the alleged incident concluded that they will not be taking any further action against the BSO. However learning from this incident BSO has issued communication to all staff reinforcing the importance, sensitivity and confidentiality of all information. Information Governance Training continues to be rolled out throughout the organisation and is mandatory for all staff.

Members noted the HR and Corporate Services Report.

11. **Environmental and Waste Management Policies**

The Director of Human Resources and Corporate Services presented paper BSO 7/2013 which detailed two policies (Environmental and Waste Management) for members approval.

Both policies were approved subject to amendments suggested by members. The policies will be revised and re-circulated.

12. **Governance and Audit Committee (GAC)**

(i) ***Minutes of Meeting held on 2 October 2012***

The minutes of the GAC meeting held on 2 October 2012 were noted by members.

(ii) ***Report of GAC Meeting held on 15 January 2013***

The Chair of the GAC briefed members on the key issues arising from the GAC meeting held on 15 January 2013. Members were advised that KPMG have been appointed as the external auditors for BSO and had attended the January meeting.

13. **Any Other Business**

(i) ***Update on the Review of Data Centres***

The Director of Customer Services and Performance informed members of a power outage at the RGH Data Centre on 18/19 January 2013. The outage was caused, as in previous occasions, by environmental control issues which were outside the control of BSO. Members were assured that the power switched over to the BCH Data Centre. Following the outage, communication was sent to all customers and a further letter was sent to the Director of Finance, Belfast Trust.

It was acknowledged that a hospital environment is not the ideal place to house a Data Centre and to that end BSO has been looking at alternative options. The Chief Executive and the Director of Customer Care and Performance recently met with Paul Wickens, DFPNI, to discuss the development of an OBC for a NI Public Sector Shared Data Centre. The Chief Executive has written to the Department briefing them on this joint initiative and discussions will have to take place with HSCB as they are the commissioners of IT services.

It was agreed that this matter will be placed on the agenda for the February Board meeting.

(ii) ***Fermanagh Rural Re-Addressing Project***

The Director of Operations advised that Fermanagh District Council is about to embark on the implementation of its rural addressing project which will issue residents of County Fermanagh new addresses which will become effective from 1 February 2013. The BSO were not consulted on this initiative until recently and concerns have been raised with the Council about the significant impact it will have on a number of BSO services and other HSC organisations. BSO has been in contact with other affected organisations such as the Land and Property Services, the Post Office and the PHA. The Director of HR&CS has also written to the Information Commissioner to alert them of the potential problems which might occur and this matter has been put on the BSO's Corporate and Directorate Risk Registers.

The Chairman suggested that adverts should be placed in local papers and the Director of Operations agreed to discuss this approach with the PHA.

Members noted the position.

14. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 28 February 2013 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____