

## **BUSINESS SERVICES ORGANISATION**

### **Minutes of Proceedings**

The forty sixth meeting of the Business Services Organisation was held on Thursday 28 February 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 Sean Mahon

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 Rita Marsden (Assistant Director Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

#### **1. Apology**

An apology for absence was received from Karen Bailey.

#### **2. Chairman's Business**

At the outset of the meeting the Chairman welcomed Rita Marsden who was attending on behalf of Karen Bailey.

The Chairman advised members that the Minister recently visited Pals, Boucher Crescent and was given a tour of the Warehouse and briefed on the technology used in the Warehouse Operation. It was agreed that a similar visit should be arranged for Board members in the Spring.

At the invitation of the Chairman the Chief Executive briefed members on the "Labelling of Beef Products" issue and the remedial action which has been taken forward by BSO. BSO continues to receive the results of the tests undertaken by suppliers and is responding to any difficulties which arise promptly by segregating and withdrawing products where necessary. The BSO has been working closely with the Department's Press Office on the release of press statements and updates have been placed onto the BSO's Internet site. It was noted that PaLS is also liaising closely with the Food Standards Agency.

Members noted the position.

**3. Minutes**

The minutes of the Board meeting held on 31 January 2013 were agreed as a true and accurate record of proceedings and were signed by the Chairman.

**4. Matters arising from Minutes**

**(i) *Action Sheet Arising from Meeting held on 31 January 2013.***

The actions arising from the BSO Board meeting held on 31 January 2013 were noted by members.

**(ii) *Payment to Community Pharmacists – Accelerated Payments Project – Minute 4 (i)***

The Director of Operations reported that the dual submission regime which had been rolled out in November had continued successfully in January. She added there continues to be an improvement in the quality of scripts presented for payment. The auto coding of scripts continues to exceed the required level of 65% which is the minimum required to meet a 30 day payment. The additional 2 scanners are now operational and the changes in working practices in FPS has commenced which has increased flexibility of staff across a number of aspects of the payment process. The withdrawal of the special advance is in discussion between HSC Board and CPNI, given the successful progress to date.

**(ii) *Board Governance Self Assessment Tool for all DHSSPS sponsored Arms Length Bodies (ALBs) – Minute 4 (ii)***

Hilary McCartan informed members that a sub group has been established to consider the drafting of responses to the above mentioned document. The sub group has to date met on 3 occasions and is working through each section of the Board Governance Self Assessment documentation in detail. Following discussion with the Chairman it has been agreed that a Board workshop should take place on the morning of 28 March 2013 to deliberate the draft responses produced by the sub-group. It was also suggested that in advance of the March workshop the draft documentation should be considered and challenged by an executive director and a non-executive director of the Board. The Chairman commended the pragmatic approach undertaken by the sub group and requested two nominations from members to review the initial draft responses. It was agreed that Geraldine Fahy would be the non-exec nominee and the Chief Executive would nominate a director. Following the March workshop the final version of the BSO's response will be presented to the April Board meeting for formal ratification.

**(iv) *Fermanagh Rural Re-Addressing Project – Minute 13 (ii) refers***

The Director of Operations advised members that the Permanent Secretary has recently written to Fermanagh District Council requesting a number of assurances to mitigate some of the potential risks for patient safety and service continuity that mail will be sent to both old and new Fermanagh addresses for a specific period of time. The Chief Executive of Fermanagh District Council subsequently responded and confirmed that following communication with Royal Mail they have indicated that they will make every effort to deliver to unofficial and new addresses for a period of up to six months.

Meetings have also taken place between the PHA, HSCB and BSO on short term measures to mitigate risks to the screening service, and a letter has been sent out to all GP practices in Fermanagh providing guidance on steps to take. A project will be initiated within FPS to update the Fermanagh addresses on the patient registration system (NHAIS).

Finally, Fermanagh District Council have agreed to issue further leaflets to the population with input from HSC giving further guidance once the new postcodes have been released. Mrs Molloy assured members that BSO has taken all reasonable steps to alleviate this problem. It was agreed that members would be updated on this matter at the April Board meeting

Members noted the position.

## **5. Financial Matters**

The Director of Finance presented the Finance Report for the ten-month period ended 31 January 2013. 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. Mr Anderson again highlighted the on-going uncertainty regarding the integrity and accuracy of the stock trading account, stock GL balance and related stock accrual accounts as a result of a number of on-going problems associated with stock issues to Trusts, following the implementation of new FPL systems. Mr Anderson advised that these issues made it impossible to present an accurate and reliable Balance Sheet for the Organisation as at 31 January 2013 and required an assumed adjustment to net the I&E stock trading account to zero. The Director of Finance advised that he has alerted the BSTP Senior Responsible Officer (SRO) and Deputy Secretary, Julie Thompson, on this issue and the fact that it may impact on the ability of the Organisation to break even and produce year end accounts for 2012/13 in line with Faster Closing. Members were in agreement that it would be preferable if the BSO could reach an agreement with the Department for an extension to the timetable for submission of the year end accounts and granted the Director of Finance authority to approach the Department, if required.

The Director of Finance informed members that following discussions with the Department, SMT are currently considering the budget position for 2013/14 for BSO. It is proposed to offer an overall efficiency within the Service Offering of 2.5% productivity and 0.5% cash to customers, however discussions are still on-going at SMT.

The Board noted the financial position as at 31 January 2013.

## **6. Update of Management of Contracts**

The Chief Executive presented paper BSO 12/2013 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. The Procurement Oversight Group (POG) met on 1 February 2013 and the papers which were considered at the January Board meeting were considered by POG. At the meeting the group acknowledged the significant progress on the Recovery Plan as well as the Board's response to the Department's Audit Report. There was an indication that this was the last meeting of the POG with regard to the BSO however it was agreed that the BSO's sponsor branch in the Department will continue to receive monthly updates on the Recovery Plan along with the reports from the BSO's Project Group which was established to oversee the operational monitoring and reporting of the implementation of the Audit report recommendations.

The Director of Operations advised members that she had recently met with officers from the Department's Press Office and BSO Sponsor Branch to consider how press enquiries will be handled, and a clear protocol is available.

Members noted the position and acknowledged the significant work done to date on the Recovery Plan.

#### **7. BSTP and Shared Services Update**

The BSTP Programme Director advised members that HRPTS has successfully made 2 payroll payments to BSO and other organisations. Work is continuing with the roll-out both ESS and MSS systems within BSO.

Meetings have been taking place with the suppliers to find a solution to the stock valuation issue. The BSTP Programme Director stated that the problem seems to emanate from the conversion factor solution. It was recognised that this is a very challenging problem and consideration may have to be given to looking at alternative business processes. A Corrective Action Plan has been produced by the Supplier and is currently being considered for agreement. The Plan will also be sent to the SRO at the Department.

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 additional queries. Detailed papers are now being produced for negotiation with the Trade Unions.

The Chief Executive informed members that BSO has appointed a replacement BSTP Programme Director, Michael Crawford, through a Staff Substitution arrangement and briefed members on his employment background.

The FPS Business Case was submitted to the Department for formal approval. It is hoped to have a contract award before year end.

Members noted the position.

#### **8. Corporate Balanced Scorecard**

The Assistant Director of Customer Care and Performance presented paper BSO 14/2013 setting out the performance of key service areas in the BSO for the period up to 31 January 2013.

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 Assistant 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 Indicator C3.

The individual scorecard for Counter Fraud and Probity Services (CFPS) was also presented by the Director of Operations. Members were advised that BSO conducts approximately 60 investigations on an annual basis with around 10 new cases opened every month. Investigation of referrals of individuals suspected to be from outside the jurisdiction accessing healthcare services even though ineligible, was noted as an area of growth for the Unit.

Members noted the Scorecards for January 2013.

9. **Publication of Payments to FPS**

The Director of Operations advised members that due to the recent developments under the BSO's Publication Scheme it is now recommended that the BSO publishes information on payments to Family Practitioners. The BSO's Information Unit has conducted research on the publication of information and in particular referred to HM Treasury Guidance and the Scottish Public Services Reform (Scotland) Act 2010 which both emphasise the importance of improving transparency relating to public sector expenditure. To that end it was recommended in the first instance that BSO publishes information on payments made to Ophthalmic Practices for 2012/13. It is proposed to publish payment statistics to the remaining Family Practitioners in 2013/2014. In answer to a question from the Chairman regarding the accuracy and sustainability of the information to be published, the Director of Operations advised that she will secure confirmation from the Head of the Information Unit before any figures are published. It was suggested and agreed that the Head of the Information Unit should be invited to attend the March Board meeting to make a short presentation on the process used to ensure accurate information.

Members welcomed this suggestion.

10. **Update on Gartner Review**

The Chief Executive advised that a Business Case setting out the case for consultancy support for a Storage Strategy is being written and will be submitted to the Department for approval. ITS continues to work on updating and standardising service documentation used to support the recovery of services in the event of a failure. A planned shutdown of the BCH Data Centre took place on 9 February 2013 to allow the network equipment in BCH to be upgraded. An SLA with Belfast Trust has now been agreed and will be signed in the near future. The Chief Executive advised that DFP were preparing an OBC for a shared data centre facility for the public sector in N.Ireland. There had been informal discussions with DFP about the project and the Department had been kept apprised of developments.

The Director of Finance updated members on the work relating to Workstreams 1 & 2:- IT reorganisation and design and Governance Review. The BSO has commissioned 2 Associates from the Leadership Centre to work on these projects and a Project Board is scheduled to take place in the near future. The Director of Finance suggested that once this project is completed Gartner should be asked to quality assure the project work.

Members noted the position.

11. **Annual Review of Standing Orders, Schemes of Delegation and Standing Financial Instructions**

The Director of Finance presented paper BSO 16/2013 which set out revisions to the BSO's Standing Orders and Standing Financial Instructions. It was noted that the revisions had been considered and endorsed by GAC for formal approval by the Board.

Members approved the suggested revisions subject to a minor amendment.

12. **Report of Business Continuity Exercise**

The Director of Human Resources and Corporate Services presented paper BSO 17/2013 which set out a report of a desktop Business Continuity exercise undertaken on 6 February 2013. Mr Strong acted as an Observer on the exercise and at the invitation of the Chairman he briefed members on his findings and observations.

Members noted the Business Continuity Exercise.

13. **Fire Safety Annual Report for 2012/2013**

The Director of Human Resources and Corporate Services presented the Fire Safety Annual Report for 2012/2013 which is required to be presented to the Board under the Controls Assurance process.

Members noted the report with interest.

14. **Reward and Recognition Event 2013**

The Director of Human Resources and Corporate Services referred to the successful Review and Recognition Event held in September 2012. Following this event it was agreed to review the management and process of the event to see if it could be improved. The Review team met recently and made a number of suggestions which were considered by SMT. Suggestions included increasing the number of awards and organising separate assessment panels for each award. Discussion ensued about the venue for this year's event and it was agreed that the Director of HR would consider a list of venues, check the availability and bring back to the Board. It was also agreed that the event should be launched at the end of May with the assessment process taking place during the Summer and the actual event taking place in September 2013.

15. **Any Other Business**

(i) ***Consultation Document on a HSC (Amendment) Bill***

Members considered correspondence from the Permanent Secretary dated 1 February 2013, setting out details of a consultation document concerning legislation to amend the Health and Social Care (Reform) Act (NI) 2009. The consultation runs for eight weeks to 29 March 2013 and invites comments on DHSSPS proposals to amend the 2009 Reform Act to provide an appropriate legislative base for the services and functions performed, or to be performed, by the BSO. The Chief Legal Adviser is meeting with the Assistant Director of Customer Care and Performance to review the Bill and will draft a response to the consultation document. It was agreed that the BSO will take into account the information included in the Business Case which was previously prepared and sent to Sponsor Branch relating to the growth of BSO and use the contents as a basis for the response.

Members expressed disappointment that the proposed changes to legislation did not appear to significantly extend BSOs ability to grow its core businesses outside the HSC. It was agreed that this sentiment would be expressed in the response to the consultation.

(ii) *Shane Devlin*

The Chairman on behalf of members wished Shane Devlin well in his new post in Belfast Trust and thanked him for the significant amount of work and leadership he put into the BSTP process.

16. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 28 March 2013 in the Lecture Theatre, Clady Villa, Saintfield Road, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

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Chair

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Chief Executive

Date \_\_\_\_\_