

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The ninety sixth meeting of the Board of the Business Services Organisation was held on Thursday 27 April 2017 at 10.00 am in the Boardroom, BSO HQ, 2 Franklin Street, Belfast, BT2 8DQ.

Present:

Mr Jeremy Stewart (Acting Chair)

Mr Robert Bannon

Mr Mark Campbell

Miss E P Gordon

Mr Greg Irwin

Mr Robin McClelland

Professor Dorothy Whittington

Mr Liam McIvor (Chief Executive)

Mr Hugh McPoland (Director of Human Resources & Corporate Services – HR&CS)

Ms Wendy Thompson (Director of Finance - DOF)

Mr Sam Waide (Director of Operations)

In Attendance:

Mrs Karen Bailey (Director of Customer Care and Performance - CCP)

Mr Alphy Maginness, (Chief Legal Adviser - CLA)

Ms Amanda Mills (Board Secretary)

1. Chair's Welcome and Opening Remarks and Apologies

Apologies for absence were received from Mrs Julie Erskine and Mr Alan Hanna.

The Acting Chair confirmed that the NED annual appraisal forms for 2016/17 are near completion and will be returned to the DOH by the end of May 2017. The Board Self- Assessment Action Plan will be presented to the August Board meeting. The Board programme planner document is still being populated and it was noted that any policies requiring Board approval will be presented in the first instance to either the GAC or the Business and Development Committee (BDC) to allow for in-depth scrutiny and assurance to the Board. Mr Bannon, Chair of the Business and Development Committee (BDC) advised that he has been working with the Director of HR&CS on the production of a BDC Look Forward Programme which will be considered at the next meeting scheduled to take place in June 2017.

2. Declaration of Conflicts of Interest

There were no conflicts of interest declared.

3. Minutes

(i) Minutes of Meetings held on 23 March 2017

The minutes of the meeting held on 23 March 2017 were agreed as a true and accurate record of proceedings.

4. Matters Arising from Minutes

(i) Minute 7 (i) – Workforce Strategy

In answer to a question from Professor Whittington the Director of Human Resources advised that the BSO Workforce Strategy, which relates in the main on how BSO engages its workforce, will be presented to SMT in May followed by BDC and thereafter to the Board.

5. Chief Executive's Report

The Chief Executive provided an update on key business meetings which he had attended following the previous Board meeting. The Board noted the following updates:

(i) E Health Care Record (EHCR) Programme

The BSO has submitted comments on the draft Outline Business Case (OBC) for EHCR. Further work is required to refine the OBC before final presentation to the DOH.

(ii) NI Public Sector Shared Services Programme (NIPSSP)

The NIPSSP is scheduled to issue the baseline questionnaires for Finance, HR and IT in early May.

(iii) Head of Counter Fraud and Probity Services (CFPS)

The Chief Executive has advised that following a recent recruitment exercise Mrs Donna Scott has been offered the post of Head of CFPS. Mrs Scott is due to take up post in July 2017.

(iv) Resource Planning

The Chief Executive advised that he attended a two day HSC workshop on 10 and 11 April 2017 to consider and develop proposals on how to achieve break even. As previously advised to members BSO is engaging with Trusts on two areas where savings could be realised; PALs and Regional Interpreting Services. At the last meeting of the Transformation Implementation Group (TIG) Mr Jonathan Semple, BSO Head of Logistics made a presentation on Electronic Materials Management (EMM) and Community Equipment and Continence Service (CECS) setting out the improved patient outcomes and financial savings arising from these regional services provided by BSO.

In answer to a question from a member the Director of Finance advised that as yet BSO has still not received confirmation of the BSO's savings requirement for 2017/18 however work has commenced on producing a budget for this financial year along with the BSO Service Offering which is scheduled to be circulated to BSO customers in the near future. It was recognised that at present BSO has had to make certain assumptions in light of the uncertainty of the situation.

(v) Chartered Institute of Credit Management Quality (CICMQ) Accreditation

The Chief Executive advised that Shared Services Accounts Receivable (SSAR) Department has achieved the CICMQ Accreditation. It was noted that BSO is the only CICMQ organisation in Northern Ireland to achieve this prestigious award. The formal presentation will take place on Tuesday 23 May 2017 in SSAR Centre in Omagh and the Chair and Chief Executive will be in attendance. It was agreed that the Chair would formally write a letter of congratulations to the Head of SSAR and staff on behalf of the Board.

6. Financial Matters

(i) *Finance Update – March 2017 – Paper BSO 29 /2017*

The Director of Finance (DoF) presented paper BSO 29/2017 which was her provisional Financial Report for the year ended 31 March 2017 which set out the provisional outturn position on income and expenditure as well as the Balance Sheet and Capital position for 2016/17.

The summary financial position for the period reported a provisional surplus for the financial year which is within the break even tolerances.

The Finance Directorate are currently finalising the draft annual accounts for 2016/17 which are due for submission to NIAO and DoH in early May for audit scrutiny.

The budget build process for 2017/18 is in progress and the draft financial strategy for 2017/18 will be presented to the May Board meeting.

Mr McClelland on behalf of members congratulated the DoF in achieving break even in a very challenging environment and it was acknowledged that it may prove a daunting prospect if BSO was given a higher efficiency target in 2017/18 than in previous years.

The Board noted the financial position.

7. Updated Draft Business Plan for 2017/18 – Paper BSO 30/2017

The Director of CCP presented a further draft of the BSO Business Plan for 2017/18. She advised that following the February Board meeting the DoH Sponsor Branch had suggested a number of amendments to the plan which were highlighted in red type in paper BSO 30/2017. Members considered and debated each of the proposed amendments and it was noted that a further amendment was required to the section on Resourcing the Plan for 2017/18.

Members approved the updated Draft Business Plan for 2017/18.

8. Corporate Balanced Scorecard – Paper BSO 31/2017

The Director of CCP presented paper BSO 31/2017 which set out the performance of key service areas in the BSO for the period up to 31 March 2017. She highlighted those measures with a red rag rating and explained the circumstances which led to this evaluation.

With regard to the Indicator relating to General Recruitment (C9) BSO has engaged the Department of Finance Innovation Branch to organise workshops to assist in re-modelling the HSC recruitment service using lean methodology. A new sub group has also been established called the HSC Senior HR Resourcing Syndicate which has a number of work streams reporting into it relating to recruitment and workforce strategies.

Members noted the Corporate Balanced Scorecard.

9. Annual Business Plan 2016/17 – Summary Exception Report on Performance – Period ending 31 March 2017 – Paper BSO 32/2017

The Director of CCP presented paper BSO 32/2017 which set out a summary exception report on the performance against the Annual Business Plan for 2016/17 as at 31 March 2017. It was noted at year end 84% of the actions within the Business Plan were reported as complete within the agreed tolerance level. Members were advised that following discussion with DOH Sponsor Branch a number of the key priorities outlined in the Annual Business Plan have been rolled forward into 2017/18 Business Plan.

Discussion ensued regarding BSO's cumulative staff absence figure for year- end reporting period which was 4.28% which is higher than the target set by DOH. The Director of HR&CS advised members that long term absence is a matter of concern rather than short term absence however HR is being pro-active with line managers to manage this matter. He also added that SMT monitor sickness absence on a monthly basis. Mr Bannon suggested it would be useful if members could see the impact on the overall absence rate adjusted to take account if those on protracted long term sickness were removed. The Director of HR&CS agreed to action this request.

Members noted the Annual Business Plan Performance Report for period ending 31 March 2017.

10. BSTP - Shared Services Project - Highlight Report – Paper BSO 33/2017

The Chief Executive in tandem with the Director of Operations presented paper BSO 33/2017 which was the BSTP Shared Services Project Highlight Report and updated the Board on progress against key milestones and timelines set for completion of projects within Shared Services

Members were reminded that the BSTP programme is unable to formally stand down until E Recruitment is fully deployed across all HSC Trusts. Following the completion of the Internal Audit review of migration readiness a date has now been agreed with the Western HSC Trust and that they plan to be fully deployed to E Recruit by October 2017.

The Chief Executive informed members that an enhanced reporting suite was presented to HSC in mid April and was reviewed at a HSC Recruitment KPI workshop on 21 April 2017. The general consensus by attendees at the workshop was that continuous improvement on recruitment is being made however recognised there are still issues to be resolved.

The Board noted the report provided.

11. Report on BSO Prompt Payment for Period Ending 31 March 2017 – Paper BSO 34/2017

The Chief Executive presented paper BSO 34/2017 which set out the percentage of invoices paid within 10 working days and within 30 calendar days from April 2016 to March 2017 by Payment Shared Services. It was noted that 93.38% of HSC invoices had been paid within 30 calendar days.

The Board noted the report provided.

12. Report from GAC Meeting held on 11 April 2017 – Paper BSO 35/2017

The Chair of GAC presented paper BSO 35/2017 which set out a summary of the key issues considered by the GAC on 11 April 2017. Seven Internal Audit reports were presented to GAC which were assessed as Satisfactory with the exception of Contract Management, Payroll Shared Services and 2016/17 Recruitment Shared Services. In particular the Payroll Shared Services report received an unacceptable assurance in relation to the payroll system and function stability and a limited assurance in respect of Payroll processing. It was noted that BSO has initiated a number of actions to address the issues raised in the report. In particular a Transformation Team has been established to address staffing issues raised in the report and also the combined approach of Payroll, HR and Finance staff in tackling systems issues. It was acknowledged and welcomed the efforts being made by payroll staff during this challenging period. With regard to the Contracts Management and Recruitment Shared Services reports members were assured that appropriate action was being taken by Pals and SS Recruitment staff to implement the recommendations made by Internal Audit.

Members also noted the minutes of the GAC meeting held on 17 January 2017.

13. Draft 2016/17 Governance Statement – Paper BSO 36/2017

The Director of Finance presented a draft Governance Statement for 2016/17. It was noted that the statement will remain in draft and may be subject to amendment until sign off by the Chief Executive on 13 June 2017 following the Special Board meeting to approve the Annual Report and Accounts for the year ended 31 March 2017.

In particular the Director of Finance drew members' attention to the section relating to Internal Governance Divergences and discussion ensued regarding the identification of two new divergences:- Underpayment of Employers Superannuation Contributions and HRPTS System Performance and briefed members on the background to these issues.

Members approved the draft 2016/17 Governance Statement subject to minor amendments.

14. Report from Business and Development Committee (BDC) Meeting held on 12 April 2017

The Chair of BDC briefed members on the key issues considered at the meeting held on 12 April 2017.

It was agreed that an overarching paper on business case development and setting out the services BSO currently provides to HSC organisations would be presented to the next meeting of the BDC.

Members were briefed on the current position regarding the DFPs request that ITS be relocated to an alternative site in 2017 due to the significant cost of the current lease for Centre House. On the instruction of DOH, BSO produced a business case for ITS to remain at Centre House, however to date no formal response has been received. Miss Gordon enquired if this issue should be placed on the BSO's Corporate Risk Register and the Director of HR&CS agreed to discuss this matter with SMT.

The Director of CCP made a presentation to BDC on the BSO Customer Survey for 2016. In particular members considered a paper on the review of the management tool and process currently used by BSO for the production of the annual survey. A number of alternative

approaches were outlined in the review paper to obtain customer feedback in a more efficient and effective manner. The Committee recommended the following option:- “Continuation with current software provider and format using Survey Monkey”. A variation of this option is to undertake the surveys on a staggered basis over a two year period. The Committee also recommended that the Customer Survey be placed on the agenda of each BSO service Customer Forum in order to increase awareness.

The Board endorsed this recommendation.

A number of HR&CS policies were considered and these will be presented to the May Board for formal approval.

15. Correspondence from DoH dated 24 March 2017 iro Conflicts of Interest - Paper BSO 37/2017

Members noted with interest correspondence from DOH dated 24 March 2017 reminding Non Executive Directors (NEDs) of the requirement for Board members of Public Bodies to act appropriately when a conflict of interest situation arises.

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 on Thursday 25 May 2017 at 10.00am in the Conference Room, HSC Pensions Service, Waterside House, Londonderry.
The Chair thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____