

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The ninety seventh meeting of the Board of the Business Services Organisation was held on Thursday 25 May 2017 at 10.00 am in the Conference Room, HSC Pension Service, Waterside House, Londonderry, BT47 6FP.

Present:

Mrs Julie Erskine (Chair)

Mr Mark Campbell

Miss E P Gordon

Mr Alan Hanna

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

At the outset of the meeting it was agreed that the Board would observe a minute's silence at 11 am as a mark of respect for the victims of the recent terror attack in Manchester.

Apologies for absence were received from Mr Robert Bannon and Mr Jeremy Stewart.

The Chair thanked Jeremy Stewart for acting as Chair for the April Board meeting.

Members were asked to note that the DOH had requested a further extension to the terms of office for Alan Hanna, Greg Irwin and Robin McClelland until 30 September 2017. The Chair was pleased to report that the three NEDs had agreed to the extension. To that end the Chair advised that following discussion with Alan Hanna it was agreed that he would stand down as a member of the GAC and transfer to the Business and Development Committee (BDC).

The Board workshop to review Board business will now take place in August. The Chief Executive's Office will arrange a suitable date.

The Chair briefed members on her recent attendance at the official presentation of the Chartered Institute of Credit Management Quality (CICMQ) Accreditation to BSO Shared Services Accounts Receivable (SSAR) and confirmed to members that she wrote a letter of congratulations to the Head of the Department on behalf of the Board.

The Chair also attended the CIPD NI Annual Awards Ceremony in the Titanic Centre on 18 May 2017. Unfortunately on this occasion BSO did not win any awards.

2. **Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

3. **Minutes**

(i) ***Minutes of Meetings held on 27 April 2017***

The minutes of the meeting held on 27 April 2017 were agreed as a true and accurate record of proceedings.

4. **Matters Arising from Minutes**

(i) ***Minute 9 - Annual Business Plan 2016/17 – Summary Exception Report on Performance – Period ended 31 March 2017***

The Director of HR&CS advised that the overall cumulative sickness absence rate for the BSO at year end would be 2.67% if the long term absence figures were extrapolated.

Members noted this information.

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***

Following receipt of comments on the E Health Outline Business Case (OBC) the E Health team are now working on the production of a revised business case for submission to DoH by Friday 26 May 2017. In answer to a question from a member the Chief Executive advised that the Director of E Health is the lead director for this project and reports to the E Health Programme Board for governance purposes. Members were also advised that the DoH are taking an active role in E-Health and are reviewing where this function would lie following the proposed closure of HSCB in 2019/2020. It was agreed that a briefing paper should be produced for consideration at the August Board meeting on the wider E Health project.

(ii) ***Transformation Implementation Group (TIG)***

Members were briefed on the key issues and actions arising from the TIG and the barriers to implementing some recommendations due to no Minister for Health being in post.

(iii) ***Malware Attack***

Following the global malware attack on 12 May 2017 the Chief Executive confirmed that no IT services in NI were affected. He advised that this issue is a substantive agenda item today however he wanted to record his congratulations to Karen Bailey and her ITS team on the significant amount of work that was done following the alert.

(iv) Internal Audit Report on Payroll

Members were briefed on the actions being taken by BSO to addressing the Internal audit recommendations contained in the Payroll Internal Audit report which was downgraded from Limited to (October 2016) to Unacceptable (March 2017). The unacceptable assurance had been issued in respect of the payroll system and function stability and the limited assurance in respect of payroll processing. BSO has established a Transformation Team to address staffing issues raised in the report. A Payroll Shared Services Improvement Customer Assurance Board has also established. The Chief Executive advised that he will contact the Deputy Secretary to brief her on the action BSO is taking.

Members welcomed the actions BSO is taking to resolve this issue.

(v) BSO Social Committee

The BSO Social Committee has been re-established and it was agreed that this year's nominated charity will be Friends of the Cancer Centre. A number of fundraising activities will be held throughout the 2017/18 year including a dinner dance in April 2018.

6. Financial Matters**(i) *Financial Strategy for 2017/18 – Paper BSO 38/2017***

The Director of Finance (DoF) presented paper BSO 38/2017 which set out the financial strategy and opening budgets for 2017/18 financial year. The DoF briefed members on the process to formulate the budget which is linked closely with the production of the BSO Service Offering.

Members' attention was drawn to paragraph 7 in the Strategy document – “Key Risks and Assumptions” where BSO has assumed a 2% reduction due to the lack of confirmation from the DoH of BSO's RRL for 2017/18 however it was recognised that DoH may impose a higher level of savings reductions. Discussion also ensued regarding the continued lack of funding for inescapable pressures, eg funding for pay and no-pay inflationary uplifts for RRL funded services.

The DoF advised members that the Finance Directorate are planning to refine the mechanism for monitoring, forecasting and reporting process by undertaking a revised financial monitoring regime for 2017/18. Members welcomed this initiative.

The BSO has submitted both a general and IT prioritised list of capital bids to the DoH and HSCB respectively and to date has not received confirmation of its Capital Resource Limit (CRL) for any of the requested projects.

The Board approved the financial strategy for 2017/18.

7. Corporate Balanced Scorecard – Paper BSO 39/2017

The Director of CCP presented paper BSO 39/2017 which set out the performance of key service areas in the BSO for the period up to 1 April 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 Complaints, DPR and FOI requests resolved within timeframe Alan Hanna re-enforced the importance of responding to complaints in a timely manner however welcomed the introduction of the Transformation Team in payroll which will hopefully lower the number of complaints relating to Payroll issues.

Members noted the Corporate Balanced Scorecard.

8. BSTP - Shared Services Project - Highlight Report – Paper BSO 40/2017

The Chief Executive in tandem with the Director of Operations presented paper BSO 40/2017 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

The penultimate meeting of the BSTP Programme Board is scheduled to take place in the Summer with a final meeting planned to take place in the Autumn to formally stand down the programme.

The Board noted the report provided.

9. 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 in April 2017 by Payment Shared Services. It was noted that 94.20% of HSC invoices had been paid within 30 calendar days.

The Board noted the report provided.

10. HR&CS Policies – Paper BSO 42/2017

Members considered and approved the following policies subject to a number of minor amendments suggested by members.

- (i) Revised Complaints Policy
- (ii) Information Risk Policy
- (iii) Information Security Policy
- (iv) Information Governance Policy

It was noted that the draft policies had been previously considered by SMT and Business and Development Committee (BDC) and recommended for formal approval by the Board.

11. Functions and Customers of BSO – BSO 43/2017

The Chief Legal Adviser (CLA) presented paper BSO 43/2017 which highlighted the constraints by primary legislation limiting BSO provision of services to bodies other than those health and social care bodies listed in the 2009 Act and the 2014 Amendment Act. The Chief Executive wrote to the Permanent Secretary in December 2016 highlighting and DoH officials subsequently met with BSO for clarification purposes. It was suggested that a template should be produced setting out the functions which BSO could provide to other bodies and use it as a reference document.

Members noted this useful document

12. BSO Cases for Financial Year 2016/17

Members noted paper BSO 44/2017 which set out the details of BSO Claims Management Cases for 2016/17. Future reports will be revised to reflect Board request for removal of identifiers.

13. Cyber Security Incident – Update

The Director of CCP updated members on the action taken by BSO ITS following the ransomware attack which affected a number of organisations across Europe on 12 May 2017. The attack was not specifically targeted at the NHS however it did affect a number of UK organisations. Following the notification of the attack HSC implemented a number of patches to the primary client and server platforms to remove the vulnerability. ITS security staff worked over the weekend of 13 and 14 May 2017 to co-ordinate the status of the patching exercise on a regional basis. Emanating from this exercise a number of vulnerabilities were identified. In response to the escalating threat, and in advance of this specific incident, BSO Internal Audit carried out a baseline self –assessment audit in all HSC organisations and provided a RAG assessment of each area. In parallel with the baseline audit Trust Directors of Performance and Planning asked BSO to draft a proposal to address the gaps in cybersecurity. The audit and the draft proposal were subsequently presented to the HSC SIRO group on 11 May 2017.

It was agreed that in light of this event the BSO needs to review its Risk Register.

The Chair confirmed that she was kept fully informed of developments over the weekend of 13th and 14th May and thanked the Director of CCP and her team for their diligence and commitment in addressing this matter.

It was agreed that members would receive a further update on this matter at the June Board meeting.

14. Declaration and Register of Members’ Interests for 2017/18 – Paper BSO 45/2017

The annual template detailing Board members Interests for 2017/18 was noted. Members were reminded that if any changes are required to the register they should inform the Chief Executive’s Office.

15. Any Other Business

- (i) *International Travel – Mrs Susan Campbell. Head of Development (Data Warehouse and Integration), ITS*

The Chief Executive requested the Board’s endorsement for Mrs Susan Campbell to attend a meeting of the Midas Project in Finland from 31 May 2017 – 2 June 2017.

Members endorsed this request.

16. Date of Next Meeting

The next meeting of the BSO Board will take place on Thursday 22 June 2017 at 10.00am in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

Members were reminded that a special Board meeting will take place on Tuesday 13 June to consider and approve the annual report and accounts for 2016/17.

The Chair thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____