

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The fiftieth meeting of the Business Services Organisation was held on Thursday 27 June 2013 at 2.00 pm in the Boardroom, BSO Headquarters, 2 Franklin Street, Belfast.

Present:

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy

Mr Greg Irwin

Mrs Hilary McCartan

Mr Robin McClelland

Mr Brian McMurray

Mr Gerry Strong

Mr David Bingham (Chief Executive)

Mr Patrick Anderson (Director of Finance)

Mrs Teresa Molloy (Director of Operations)

In Attendance:

Mr Alphy Maginess (Chief Legal Adviser)

Mrs Karen Bailey (Director of Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

1. Apology

Apologies for absence were received from Alan Hanna, Sean Mahon and Hugh McPoland.

2. Chairman's Business

The Chairman advised members that he attended the official launch of the NI Electronic Care Record (NIECR) by the Minister earlier today. On behalf of the Board he asked the Director of Customer Care and Performance to convey to ITS staff the Board's appreciation of the tremendous achievement on the successful roll-out of the system.

A meeting of the Remuneration and Terms of Service Committee took place before the Board meeting today to consider the Chief Executive and the Directors' performance management objectives for 2012/2013 and the setting of objectives for 2013/2014. To that end the Chairman requested non-executive directors to remain at the end of the public Board meeting to ratify the Remuneration Committee's recommendations.

The Chairman advised members that it will be necessary to hold a Board meeting on 25 July 2013 to consider the Budgets for 2013/2014. The Chief Executive's Office will liaise with members to agree an appropriate time.

3. Minutes

The minutes of the Board meeting held on 30 May 2013 were agreed as a true and accurate record of proceedings and were signed by the Chairman

4. **Matters arising from Minutes**

(i) *Auto Enrolment – Minute 6 (ii) refers*

In the absence of the Director of Human Resources and Corporate Services, the Chief Executive advised that the paper on auto enrolment has been equality screened and a letter subsequently was sent to all BSO staff who are not members of a pension scheme advising them of the proposed deferral and reminding them that they can join the pension scheme at any time. In light of the actions taken the Board endorsed the recommendation to defer the implementation of auto enrolment of staff onto employers' workplace pension schemes until September 2017. It was suggested and agreed that a reminder letter should be sent on an annual basis to non-pension scheme members.

(ii) *Board Effectiveness/Development – Minute 9 Refers*

The Director of Customer Care and Performance presented paper 47/2013 which was produced following a meeting with the Chief Executive, Hilary McCartan and Greg Irwin to consider the development of an action plan and training programme for Board members. The paper proposed to hold a series of refresher training sessions commencing in the Autumn. The sessions will be delivered by a governance provider and will take place prior to the Board meeting. Suggested topics will include:- Assurance Framework, Strategic Planning, Risk Management and Controls Assurance.

The paper also set out a draft timetable of visits around BSO and HSC sites by Board members commencing in September 2013. It was agreed that these visits would not take place on the same day as Board meetings however the Chairman indicated that as in previous years the Board will hold meetings in key BSO sites during the Autumn/Winter of 2013/2014. To that end it was agreed that the Chief Executive's Office would produce a timetable of proposed visits during 2013/2014 and circulate to members requesting them to identify their availability. It was recognised that the visits must have a purpose and to that end a template will be produced for reporting back to the Board.

A further paper will be presented to the August Board meeting on the Action Plan arising from the Board Self- Assessment Governance Tool.

Members endorsed the recommendations set out above as a way forward to allow non-executive directors gain a deeper understanding and knowledge of the wide range of services provided by BSO. It was noted that further updates on this matter will be presented in August and September.

5. **Presentation on Customer Survey**

A presentation was made to members by the Director of Customer Care and Performance on the key points contained in the BSO Customer Survey undertaken in December 2012. The key issues emerging from the survey were that a number of service areas achieved 100% customer satisfaction in a number of survey questions, the perception of the quality of BSO service provision overall has increased each year for the past three years and fewer people responded negatively than in past years. It was noted however where there has been a drop in satisfaction, the specific comments made by customers, are in most instances associated with the implementation of the BSTP systems. It was agreed that an action plan should now be

developed to address the service areas where there was a drop in positive responses, in particular Human Resources. It was also agreed that a paper outlining the remedial actions put in place to address these issues would be produced for consideration by the Board at a future meeting. Concern was raised by the level of negative responses from the Public Health Agency (PHA) and the Director of Customer Care and Performance stated that she has already met with the Chief Executive of the Public Health Agency (PHA) and discussed this matter and advised him that the issues identified in the survey were being worked through with HR/Pals and ITS. The Chief Executive advised that he would also arrange to meet with the Chief Executive of PHA as a follow up.

It was suggested and agreed that an executive summary should accompany the customer survey reports in future.

Members noted the customer survey presentation and looked forward to seeing the Action Plan at a Board meeting in the near future.

6. **Financial Matters**

(i) ***Finance Report – May 2013***

The Director of Finance presented a summary finance report for the two month period ended 31 May 2013. He apologised for the delay in circulating the report to members and explained that this was due to the on-going systems issues surrounding FPL and HRPTS and the subsequent delays in finalising the BSO final accounts for 2012/13. He added that due to these issues the finance report only contained a high level income and expenditure account which showed that the Organisation is in a surplus position. A substantive financial report will be presented at the August 2013 Board meeting.

The Director of Finance indicated to members that he will present a Budget for the Organisation for 2013/14 to a forthcoming SMT meeting and subsequently for Board approval on 25 July 2013 for formal approval. He advised that this Budget will again be prepared on a zero basis.. Once approved, detailed directorate budgets will then be uploaded into the FPL system and act as a key benchmark for financial management purposes for the remainder of the 2013/14 financial year.

Mr Anderson advised that Final Draft Accounts for the BSO for 2012/13 have been submitted to the Department and the external auditors have commenced their audit fieldwork. It is expected that their fieldwork will be completed by mid September. As an aside, the Director of Finance informed members that his Department have invested a significant level of resource into ensuring that all of BSO's HSC client organisations have successfully delivered clean Final Accounts for 2012/13 in line with the DHSSPS faster closing timetable, despite the significant issues around the year end period associated with the introduction of new accounting systems. In answer to a question from Robin McClelland the Director of Finance updated members on the position regarding the Stock Accounting and Invoice backlog issues. BSO is continuing to make steady progress however there still remains concern with the payroll interface and work is on-going with the supplier and BSO staff to reach an appropriate resolution.

The Board noted this position.

7. **Management of Contracts – Recovery Plan**

The Chief Executive presented paper BSO 49/2013 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 shows that more than 90% of contracts compliantly awarded up to the middle of June 2013. SMT will continue to monitor the Recovery Plan on a monthly basis.

8. **Implementation of BSTP in BSO**

The Chief Executive updated members on key issues relating to both the BSTP and Shared Services projects. The implementation of the FPL system seems to be working reasonably well and will be rolled out to the NI Ambulance Service (NIAS) and South Eastern Trust in July with the remaining two Trusts (Southern and Northern Trusts) scheduled to be rolled out in September. The Logistics Central Team has been stood down due to the continuing stabilisation of the system. The backlog of payment of invoices continues to reduce and Finance is well on its way to returning to business as usual. The Director of Operations informed members that Voice Picking is scheduled to go live on 14 August 2013.

The FPS Systems Replacement Business Case was approved in May 2013 and work has commenced on Phase 1 of the project which is scheduled to be completed in September 2013.

9. **Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented paper BSO 51/2013 setting out the performance of key service areas in the BSO for the period up to 31 May 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. Members' attention was also drawn to the inclusion of two new risks onto the Register: - HRPTS – the lack of a "Staff in Post Report", and the risk of legal challenge in light of the new legislation relating to Late Payment of Commercial Debt Regulation 2013, which requires 30 day payment of supplier invoices.

Members raised concern about the significant number of corporate risks which were assessed as "High" and the potential impact this may have on the HSC. While it was accepted that SMT routinely reviewed the Corporate Risk Register on a monthly basis the Chairman asked that they continue to adhere to this process in a rigorous manner.

Members noted the Scorecards for May 2013.

10. **Annual Progress Report for 2012/2013 to the Equality Commission**

The Director of Customer Care and Performance presented the Annual Progress Report on the Implementation of Section 75 of the NI Act 1998 and Section 49A of the Disability Discrimination Order to the Equality Commission for 2012/2013 for members' approval.

The Annual Review was approved by the Board.

11. **APP – Update**

The Director of Operations presented paper BSO 54/2013 providing members with a final update on the Accelerated Payments Project (APP) to Community Pharmacists. In preparation for the full implementation of a 30 day payment from July 2013, FPS is scheduled to make two payments in June; the first was made on 14 June 2013 with the second scheduled to take place on 28 June 2013 with the Special Advance adjustment to be made on the second payment. FPS is currently on target to make the second payment. To that end BSO is now operating in a normal regime to make the 30 day payment. Arrangements have been put in place for maintaining this process with the establishment of an APP Maintenance Team. For governance purposes a Strategic Advisory Group (SAG) has been established. The membership of the SAG comprises of representatives from HSCB, BSO and CPNI. The SAG will receive twice yearly reports from the APP Maintenance Group however if any problems or issues arise they will be escalated to the SAG as a matter of urgency. It was noted that this project will now be taken off the Corporate Risk Register. The Chief Executive stated that achieving the 30 day payment is a great achievement for the BSO. The Chairman on behalf of members congratulated the Director of Operations and her staff on their success.

Members noted the position.

12. **Governance and Audit Committee**

(i) ***Minutes of Meetings held on 15 January 2013 and 16 April 2013***

Members noted the minutes of the GAC meetings held on 15 January 2013 and 16 April 2013.

13. **Fermanagh Rural Addressing Project**

The Director of Operations updated members the actions being taken by HSC in light of the introduction of post codes in the Fermanagh District. The HSCB has approved the establishment of a Local Enhanced Service (LES) which requires GP practices who have patients residing in the Fermanagh district council area to actively review and update all patients' addresses on their clinical systems with data provided from patients. The project is due for completion in October 2013. The NI Statistics and Research Agency (NISRA) have secured funding to undertake a "mop up" data cleansing exercise for the Fermanagh area once the LES has been completed to ensure the accuracy of patient information. The Chairman requested that he would like to have sight of the results from the Local Enhanced Service when that has been completed and evaluated by the HSCB.

Following the ICO's recommendations relating to correspondence containing data with "sensitive" information, FPS's contractor has been instructed to mark the envelope for these mailings "Confidential:- to be opened by Addressee only".

Members noted the position.

14. **Update on Gartner Recommendations**

The Directors of Finance and Customer Care and Performance updated members on progress on the work surrounding the five workstreams as recommended by the Gartner Review.

A high level proposal has been produced regarding the re-organisation of the ITS function as a whole. The proposal places greater emphasis on service continuity. A high level structure was

endorsed by the ITS Project Board at its last meeting and staff engagement sessions will now be arranged with ITS staff to brief them on the proposal.

The Governance Proposal (Workstream 2) will be presented to the IT Project Board in September. It was noted that a commissioning plan has now been agreed between the HSCB and BSO which will strengthen the governance arrangements.

With regard to Workstream 3, the Director of Customer Care and Performance confirmed that the back up and recovery processes are now documented. The Business Case for the backup system has been approved and the hardware has been installed. Documentation for BSO's current failover process is progressing well.

Workstream 4 – Alignment of Data Centres – A business case iro Storage Strategy has now been approved by the Department and the storage network has been updated. IBM is working in conjunction with ITS on Firmware Updates.

Workstream 5 – Disaster Recovery – Both business cases for the Data Copy site and the development of a shared data centre have been completed and sent to the Department.

It was noted that the Gartner Sub Group is scheduled to meet in September.

15. **AOB**

All BSO Directors left the meeting

(i) ***Remuneration and Terms of Service Committee – Report of Meeting held on 27/6/13***

The Chairman briefed members on the key issues arising from the Remuneration and Human Resources Committee meeting held earlier today.

In particular the Chief Executive presented a review of the Performance Management Objectives for Directors for 2012/2013 along with his recommendations to the Committee. The Committee endorsed the Chief Executive's recommendations that the Directors of Finance, Operations, Human Resources and Corporate Services, Customer Care and Performance and Chief Legal Adviser be rated as "Fully Acceptable". The Committee also endorsed the Chief Executive's recommendation regarding the BSTP Director who had resigned from his post in February 2013.

Board members endorsed the Remuneration and Terms of Service Committee's decisions.

16. **Date of Next Meeting**

The next meeting of the BSO Board will take place on Thursday 25 July 2013 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast; time to be confirmed.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____