

HSC BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The twenty second meeting of the Regional Business Services Organisation (BSO) was held on Thursday 24 February 2011 at 2.00 pm in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

Present

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy

Mr Alan Hanna

Mr Sean Mahon

Mrs Hilary McCartan

Mr Robin McClelland

Mr Brian McMurray

Mr Gerry Strong

Mr David Bingham (Chief Executive)

Mr Norman Bennett (Director of Finance)

Mrs Teresa Molloy (Director of Operations)

Mr Hugh McPoland (Director of HR & Corporate Services)

In Attendance

Mr Alphy Maginness (Chief Legal Adviser)

Mrs Karen O'Loan (Director of Customer Care and Performance)

Mr Shane Devlin (BSTP Programme Director)

Miss Amanda Mills (Secretary to the Board)

Mr Paddy Anderson (incoming Director of Finance)

1. **Apologies**

An apology for absence was received from Greg Irwin.

2. **Chairman's Business**

At the outset of the meeting the Chairman welcomed Mr Patrick Anderson who has been appointed as Director of Finance and will formally take up post on 1 April 2011. It was noted that Norman Bennett would be leaving the organisation at the end of February and the Chairman on behalf of members thanked him for his valuable contribution as Interim Director of Finance. Members were also introduced to Mr Colm McGarry, HR Trainee, Management Development Scheme, who was attending the meeting as part of his training.

3. **Minutes of the Meeting held on 27 January 2011**

The minutes of the Board meeting held on 27 January 2011 were agreed as a true and accurate record of proceedings and were signed by the Chairman.

4. **Action Sheet Arising from Board Meeting held on 27 January 2011**

The actions arising from the BSO Board meeting held on 27 January 2011 were noted by members.

At the invitation of the Chief Executive Mrs Teresa Molloy briefed members on developments in relation to the establishment of a new NI Drug Tariff, which will require additional services be provided by BSO at the request of DHSSPS. The BSO has completed a formal consultation process, and have been meeting with the Pharmaceutical Contractors Committee (PCC) on a regular basis to progress the matter. She stated that in parallel, BSO, DHSSPS and HSCB have been meeting with PCC to take forward negotiations on a new contract with community pharmacists.

A separate consultation is also underway led by with PCC which proposes options to modify the "Special Advance" payment which is currently made to community pharmacists. These modifications will only be possible if BSO is able to accelerate the payments to pharmacists from 60 days to 45 days, and a significant project has been underway since November 2010 with this aim. Mrs Molloy advised that the BSO is currently on track to achieve the accelerated payment on the target date of 16 March 2011. The consultation is led by HSCB, and will close in April 2011.

Finally, Mrs Molloy advised that the BSO will be moving to revised arrangements for sending electronic remittance statements to pharmacists who opt to receive them on an electronic basis in the very near future. This incentive will improve the quality of information to the pharmacists and reduce administration costs in BSO.

It was noted that a Media training session has been arranged to take place on 23 March 2011 for BSO Senior Executives.

Alphy Maginness advised that following discussion with the Belfast and Western HSC Trust it has been agreed that they will produce a business case for extra resources relating to the public enquiry on the Hyponatraemia case.

The Chairman confirmed that following discussion with the Chief Executive training sessions for Board members will take place on a quarterly basis. It is planned to hold the next awareness training event prior to the June Board meeting.

(i) **BSO's Response to Consultation Paper on the Draft Budget for 2011/2015: Settlement and Proposals**

Members noted the BSO's response on the Department's consultation paper on the draft budget for 2011/2015.

5. **Director of Finance's Report to the Board for Period Ended 31 January 2011**

The Director of Finance presented the Finance Report for the period ended 31 January 2011. The overall position for each of the segments was outlined. In particular the Service and Budget Agreement (SBA) for core services is showing a surplus at 31 January 2011 of £140,486. It was noted that the surplus for the core services has decreased from last month due primarily to a further non-recurrent hand-back to the Department plus the removal of a general contingency which is now no longer required.

Members were reminded that the BSO is required to break even at year end and work is ongoing to manage the income and expenditure position to ensure that the organisation is within the break even parameters (+/- 0.25% of break-even). At present the BSO is projecting a year end surplus of £183,000. This would be within the break-even parameters.

The BSO has received confirmation from the Department that the original RPA savings target stands and that BSO would not have to take on part of the savings originally allocated to HSCB.

Members were advised that the Department has now agreed to cover the shortfall in respect of Bursaries which was reported at the January Board meeting and it was noted that a letter has been written to the Department asking for the production of a Service Level Agreement to manage this area of work along with the implementation of the Healthy Start Scheme which the BSO manages on behalf of the Department.

It was noted from the balance sheet that the level of outstanding debtors has substantially reduced from December and members congratulated the Director of Finance and his team on moving this issue forward. It was also noted that the arrangements for the management of the Clinical Negligence Payments process has been revised.

Members noted the position set out in the Financial Report for period ended 31 January 2011.

The Capital Expenditure Report for 2010/2011 was considered by members.

Approval was requested for the following two bids:-

Real Asset Management System - £47,000

Air Conditioning System - £45,867

Members granted retrospective approval for the purchase of these items.

In answer to a question by Geraldine Fahy regarding the outstanding capital expenditure balance, the Director of Finance confirmed that the BSO is currently compiling a list of capital bids which can be spent by year-end.

It was noted that SMT are meeting later in the week to consider the budgets for 2011/2012.

6. Action Plan for the Completion of the 2010/2011 Annual Accounts

The Director of Finance presented an action plan outlining the timescales for the preparation, audit, approval and certification of the BSO's Annual Accounts by for 2010/2011. It was noted that the draft accounts must be completed by Tuesday 3 May 2011 with the final version presented to the GAC and BSO Board for final approval by Tuesday 31 May 2011. Concern was raised regarding the consequences if the BSO would be unable to have the accounts completed for presentation to the GAC and Board by the 31 May 2011. It was agreed that a special meeting of the GAC and Board would be held on Thursday 2 June if required. The Director of Finance will liaise with the External Auditor regarding this contingency arrangement.

Members noted the arrangements.

7. Corporate Balanced Scorecard

The Director of Customer Care and Performance presented Paper BSO 14/2011 setting out the performance of key service areas in the BSO for the period up to 31 January 2011. Members' attention was drawn to Indicator C6 (% number of Complaints, DP and FOI requests resolved within timeframe (target 100%) which had been highlighted as red status. Mr McPoland explained that the BSO dedicated email system for FOIs lost its functionality in the latter part of December 2010 and January 2011.

Attention was also drawn to Indicator IP2 (% number of Invoices paid within 30 days (target 95%) which was also highlighted as Red. The Director of Finance advised that there currently are a number of vacancies in the Finance Directorate however the recruitment process has now commenced. It was recognised that BSO undertakes payments on behalf of the Board and the PHA and it was agreed that the performance measure should be amended to reflect the payments processes relating to BSO only.

Members noted the documentation.

8. Electronic Document Storage

The Director of Human Resources and Corporate Services presented paper BSO 15/2011 which set out the BSO's proposals to move to digitally storing records relating to FPS payments systems (Dental, Pharmaceutical and Ophthalmic).

A lengthy discussion ensued regarding the risks associated with the holding of digital records. Members noted the financial savings that could be made if BSO switched to this process also recognised that the proposal is within Departmental circular guidance. The Chairman in particular asked whether a digitally stored record is recognised as an authentic document in a court of law. The Chief Legal Adviser confirmed that in criminal cases Courts will accept digital records.

Mr McPoland reminded members that this proposal only relates to the digital storage of FPS payments forms and informed members that a revised Records Management Policy will be presented to the March Board meeting for approval.

Members agreed to the proposal that where possible the current FPS payment records will be maintained digitally subject to a period of six months storage. It was also agreed that the digital records be maintained in accordance with the current disposal arrangements.

9. Adverse Incident Reporting Policy

The Director of Human Resources and Corporate Services presented a revised BSO Adverse Incident Policy for members' approval. Members approved the policy subject to a few minor amendments which Mr McPoland agreed to action. It was agreed that the reporting of adverse incidents should be considered by the GAC and if required brought to the attention of the Board.

10. Update on Production of Service Delivery Plan for 2011/2012

The Director of Customer Care and Performance presented paper BSO 17/2011 which set out the action which has been taken to develop the BSO's Corporate Objectives and Service Delivery Plan (SDP) for 2011/2012. It was noted that the Directors and Heads of Departments of the BSO attended a Business Planning Workshop in January 2011 to review the Corporate Plan for 2010/13, review the key business drivers in light of the current financial climate, to review progress against the 2010/2011 SDP and commence the process of formulating the annual SDP for 2011/12.

The draft Service Delivery Plan will be presented to the March Board meeting for members' comment and approval.

Members noted the position.

11. Presentation on Tops Programme

It was agreed that this matter would be deferred to the March Board meeting.

12. Update on BSTP

Shane Devlin informed members that the procurement phase of the BSTP (HR, Procurement, Finance and Payroll) is now moving to the final dialogue stage which will last for approximately eleven weeks. The consultation paper on the location of Shared Services centres is still with the Minister's Office for approval. It was recognised that a period of Purdah comes into force at the end of March due to the forthcoming elections in May and if the consultation paper is not approved by the current Minister other options may have to be considered.

The final strand of the BSTP is the procurement of the FPS replacement system however members were informed that the Department have as yet not included this project on their capital expenditure plan.

Members noted the position.

13. **Any Other Business**

(i) **Draft Submission to the Department on Growth and Development for BSO**

Karen O'Loan advised that she is producing a business case for submission to the Department on changing the relevant legislation to permit BSO to avail of new business opportunities outside the HSC. The draft business case will be presented to SMT in the first instance for comment and discussion.

14. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 31 March 2011 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____