

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The forty eighth meeting of the Business Services Organisation was held on Thursday 25 April 2013 at 2.00 pm in the Conference Room, Pals, 77 Boucher Crescent, 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)

Mrs Teresa Molloy (Director of Operations)

Mr Hugh McPoland (Director of HR&CS)

In Attendance:

Mr Alphy Maginess (Chief Legal Adviser)

Mrs Karen Bailey (Director of Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

1. Apology

There were no apologies.

2. Chairman's Business

The Chairman reminded members that the annual performance appraisal pro-formas for non-executive directors must be completed and returned to the Public Appointments Unit, DHSSPS on or before 31 May 2013. The Chief Executive's Office has arranged for the Chairman to meet with non-execs during April and May to finalise the documentation.

A meeting of the Gartner Sub Group took place prior to the Board meeting, and at the invitation of the Chairman, Mr Strong briefed members on the key issues considered at the meeting. The Directors of Finance and Customer Care and Performance updated members on progress on the five Project work streams as recommended by Gartner. It was agreed that Board members would be briefed on progress with respect to Workstream 1 at the June Board meeting.

3. Minutes

The minutes of the Board meeting held on 28 March 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 28 March 2013.*

The actions arising from the BSO Board meeting held on 28 February 2013 were noted by members.

It was noted that Mr Robin McClelland has agreed to be the BSO non-executive Director Disability Champion. The Director of Human Resources and Corporate Services advised that he has raised the issue of appointing a staff disability champion at a recent meeting of Joint Negotiating Forum (JNF) and the trade unions have agreed to consider this request and respond as soon as possible.

5. Financial Matters

The Director of Finance highlighted that due to on-going FPL and HRPTS systems issues referenced in previous Finance Reports it had not been possible to close the General Ledger for month 12 and the 2012/13 financial year. As such he presented a high level summary Income and Expenditure account reflecting the latest position within the Ledger as at close of play on 24 April 2013. Mr Anderson again highlighted the on-going uncertainty regarding a number of stock accounting issues and created by on-going difficulties with the quality and performance of the payroll interface between the HRPTS and FPL systems. He reiterated that these issues impacted on the accuracy of the reported income and expenditure position and made it impossible to present an accurate and reliable Balance Sheet for the Organisation as at 31 March 2013. Mr Anderson concluded by stating that the BSTP Central Team and the systems suppliers concerned were fully focused on rectifying the issues concerned and were making progress. He agreed to provide a further update at the May Board meeting.

As highlighted and discussed at the March Board meeting the issues above have a significant impact on the ability of the Business Services Organisation to produce Financial Statements for year ended 31 March 2013 in line with the DHSSPS Faster Closing timetable. A meeting with the NI Audit Office (NIAO) and the External Auditors (KPMG), the auditors subcontracted to carry out the audit for 2012/1, took place on 10 April 2013 where it was agreed by all parties that, in light of the on-going systems difficulties, BSO would not be a position to meet the DHSSPS Faster Closing timetable for the production and audit of the 2012/13 annual accounts. The Director of Finance has advised DHSSPS of this decision. It was recognised that once the issues regarding the stock accounting and HRPTS interface are fully resolved and the Ledger fully closed for the 2012/13 financial year a revised timetable will be agreed with NIAO and KPMG and communicated as appropriate to DHSSPS and other key stakeholders.

The Board noted this position.

6. Update of Management of Contracts

The Chief Executive presented paper BSO 28/2013 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; with 90% of contracts compliantly awarded at the end of March, against a target of 80%.

In light of the significant progress in the compliance of contracts the Chief Executive suggested and it was agreed that the frequency of presenting the recovery plan reports should be reduced from monthly to a quarterly basis, unless any irregularity arises. Members concurred with this request.

Members were briefed on the work being undertaken by the Procurement Workforce Planning Group which was established by the Chief Executive. BSO has engaged DFP Business Services to undertake a review of work processes within PaLS with a view to recommending how the learning from the Recovery Plan could be mainstreamed within the organisation. A report on its findings will be presented to the Board sub group before the summer break.

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

7. Implementation of BSTP in BSO

The Chief Executive presented paper BSO 29/2013 which provided members with key issues relating to both the BSTP and Shared Services projects. The implementation of both the FPL and HRPTS systems remains challenging. With regard to FPL the system performance has improved however, as advised earlier by the Director of Finance, problems with stock accounting, FIFO re-pricing and the processing of invoices still need to be resolved. A meeting was held with the supplier and the SRO (Julie Thompson) earlier today to try to seek an urgent resolution to these issues. The Director of Operations informed members of actions which PaLs have taken to improve its service levels to customers in light of the difficulties experienced in the Logistics service and drop in service levels since go-live. In answer to a question from Hilary McCartan the Chief Executive confirmed that a Corrective Action Plan has now been agreed in principle with the supplier of the FPL System. It was recognised that the main priority for the BSO must be to seek a resolution to the stock accounting issue.

The Chief Executive stated that the HRPTS system went live in January 2013 and to date 3 monthly payment cycles to staff in BSO and the regional organisations have been processed successfully. The major problem is the absence of a working interface with the General Ledger in FPL. These problems have resulted in the delay of roll-out the system to other HSC organisations. In answer to a question from Greg Irwin the Chief Executive advised that on hindsight additional user testing should have been undertaken on the Interface as the specification for the interface was not as robust as it should have been. It was clear that the supplier had not provided a workable interface.

Mrs Molloy briefed members on progress to date on the Shared Services Programme. The project re-plan was presented to SMT on 17 April 2013. Further work is required before it can be presented to the BSTP Programme Board and the Shared Services Implementation Group for approval. BSO met with the officers from Health Estates and Economists from the Department on 18 April 2013 to progress the OBC for Accommodation. The Economists have asked for additional information which will impact on the ability to progress the approvals required, and have a resultant impact on the timetable for the roll out of shared services. Board members expressed concern at the lack of progress in this matter and the ensuing delay of the project. It was recognised that the legislation governing BSO states that the BSO was established to create and implement shared services. It was agreed that a letter should be sent to the Senior Responsible Officer (SRO) for the Shared Services Project, Julie Thompson, expressing the Board's concern at the delays in trying to progress the accommodation aspect of the project to a successful conclusion.

Further appointments have been made since the March Board meeting and interviews are scheduled to take place in May for the Heads of Payments and Income posts.

Members noted the position.

8. **Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented paper BSO 30/2013 setting out the performance of key service areas in the BSO for the period up to 28 March 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 members congratulated the Director of Operations on the dental payment failure rate which had dropped to 1% (target was 3%).

The individual scorecard for Equality Services was also presented by the Director of Customer Care and Performance.

Hilary McCartan enquired if it would be possible for non-executive directors to attend training/briefing sessions on equality matters. The Director of Customer Care and Performance agreed to raise this matter with the Equality Department.

Members noted the Scorecards for March 2013.

9. **Summary Report of BSO Self-Assessment**

Mrs Hilary McCartan presented paper BSO 32/2013 which set out the final draft of the summary report on the BSO Board Self Assessment Governance Tool for members approval before being sent to the Department for onward transmission to the Department. As required under the guidance provided within the Self Assessment Tool, Board members considered and agreed the RAG ratings contained within the BSO's Board Governance self assessment submission. The submission also highlighted a number of recommended actions and members were advised that a programme will be developed to address these actions. The recommendations included a proposed structured programme for Board members in relation to strategic governance, personal and collective development and engagement with stakeholders. The Chairman suggested that he should discuss the issue of a collaborative training event with the Chairs of HSCB and PHA for Board members.

A lengthy detailed discussion ensued and the submission was approved subject to a number of minor amendments.

10. **Data Centres – Paper on Options**

The Director of Customer Care and Performance presented paper BSO 33/2013 setting out a range of emergency disaster recovery options if one or both of the data centres incurred a power outage or shut down. As agreed at the March Board meeting the Chief Executive had met with Sean Mahon and Karen Bailey to consider contingency arrangements in the event of a data centre failure. It was noted that at present if one data centre fails it could take up to five hours for a total restoration of services and if both centres fail there are no contingency arrangements in place. The critical issue is that data must be stored in a safe environment. The options paper asked members to consider four options to mitigate these risks. These are as follows:

1. Option 1 – Data Copy – copying data to a 3rd site on an on-going basis
2. Option 2 – Cold Standby –
3. Option 3 – Hot Standby -
4. Option 4 – Portable Data Centre

Each option was considered and debated at length by members and it was agreed, as an interim solution, to approve and implement Option 1– Data Copy. A detailed business case will now be produced and sent to the Department as a matter of urgency for funding. The business case will also be sent to the HSCB along with this Board paper in their role as commissioners of IT services. It was suggested that the location for the Data copy site could be Centre House. Discussion ensued about the resilience of the RGH Data Centre compared with the Belfast City Hospital Data Centre and it was suggested that consideration should be given to making the City Hospital Data Centre the prime data centre site as it has only incurred one power outage compared to five at the Royal site. It was agreed that having five outages in such a short period of time is unprecedented.

The Chief Executive updated members on progress on the proposal to develop shared data centres for a number of public sector organisations. A business case has been submitted by the NICS to DFP for approval. A similar business case was being written for the HSC's participation in the shared data centres. Members noted the position.

11. **Draft Annual Report for 2012/2013**

The Director of Customer Care and Performance presented the draft Annual Report in text format only for 2012/13 to members for noting as it is required for submission to the NIAO/DHSSPS accompanied by the draft Annual Accounts. A number of comments were suggested by members and it was agreed that these will be considered and included, where appropriate, with a final version to be presented to the Board for approval in June.

12. **HR& Corporate Services Report**

It was agreed to defer this agenda item to the May Board meeting.

13. **Information Governance Annual Report**

It was agreed to defer this item until the May Board meeting.

14. **Draft Governance Statement**

The Chief Executive presented a draft Governance Statement to members for approval. It was noted that an earlier draft of the document had been considered by the Governance and Audit Committee at its meeting on 16 April 2013 and comments received had been incorporated into the paper.

A few minor amendments were suggested by members and these will be included into the document. It was noted that this document will not be finalised until the submission of the BSO's year-end accounts to the Department.

Members approved the draft Governance Statement.

15. **Report of GAC Meeting held on 16 April 2013**

The Chair of the GAC briefed members on the key issues arising from the GAC meeting held on 16 April 2013.

16. **Any Other Business**

(i) **Consultation Document on a Health and Social Care (Amendment) Bill**

The Chief Executive tabled correspondence from the Director of Finance, DHSSPS dated 25 April 2013 to members. The correspondence related to the BSO's response on the consultation to amend the Health and Social Care (Reform) Act (Northern Ireland) 2009. Members considered the contents of the Department's letter which requested the BSO to reconsider its comments in light of further information. It was acknowledged that the BSO remains supportive of the Bill however it would wish to continue to pursue the issue of growth of the BSO to provide services to non-HSC bodies at an appropriate time. Members agreed that the Chief Executive would write to the Department and withdraw its submission of 21 March 2013.

17. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 30 May 2013 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____