

## **BUSINESS SERVICES ORGANISATION**

### **Minutes of Proceedings**

The one hundred and fifty third meeting of the Board of the Business Services Organisation was held on Thursday 23 June 2022 at 10.00am in the Conference Room, PALs, 77 Boucher Crescent, Belfast.

#### **Present:**

	Mrs Julie Erskine (Chair)
Mr Robert Bannon	Mrs Karen Bailey (Chief Executive)
Mr Mark Campbell	Mrs Karen Bryson (Director of Finance)
Miss Patricia Gordon	Mrs Paula Smyth (Director of HR&CS)
Mr Sean McKeever	Mr Martin Bradley (Interim Director of Operations)
Professor Dorothy Whittington	

#### **In Attendance:**

Miss June Turkington (Interim Chief Legal Adviser)  
Mr Mark Bradley (Interim Director of CCP)  
Mr Ben Doran (Head of ITS)  
Miss Amanda Mills (Board Secretary)

#### ***1. Apologies***

There were no apologies.

#### ***2. Conflicts of Interest Declarations***

There were no conflicts of interest declared.

#### ***3. Minutes of BSO Board Meeting held on 26 May 2022***

The minutes of the meeting held on 26 May 2022 were agreed as a true and accurate record of proceedings.

#### ***4. Action Template – Paper BSO 38/2022 refers***

Members noted the contents of the Board Action Template. The Chair suggested that she plans to hold future Board meetings around the various BSO sites to allow the Board the opportunity to meet with staff now the organisation is returning to BAU. It was noted that the August Board meeting will take place in the Clinical Education Centre.

#### ***5. Chairs Business***

At the outset of the meeting the Chair took the opportunity to congratulate Karen Bailey on her appointment as Chief Executive of BSO and thanked Mr Bannon and Miss Gordon for sitting on the Interview panel.

The Chair briefed members on the key meetings she attended during the month of June.

The Chair/NED appraisal meetings for 2021/22 have been completed and the appraisal proformas will be returned to the DOH Public Appointments Unit on or before 8 July 2022.

The Chair attended the launch of the NI Audit Office's updated good practice guide on Board Effectiveness on 22 June 2022 and advised that this will be referred to at the Board workshop scheduled for 6 September 2022. She also attended a Fraud Academy event on 16 June 2022 hosted by PWC which highlighted ways to protect organisations from fraud risk especially around the area of cyber security.

## **6. Acting Chief Executive's Report**

Karen Bailey briefed members on the meetings she has recently attended; these included attendance at the GAC meeting on 16 June 2022, the RCN Nurse of the Year Awards along with the Chair which the Minister attended and the inaugural meeting with Chris Matthews, DoH Sponsor Branch which will take place on a monthly basis.

Members were briefed on the key issues from the last meeting of the Encompass Programme Board took place on 10 June 2022 where an Addendum to the Encompass Business Case was presented for members consideration which was subsequently presented to the DHCNI Programme Board. It was noted that the addendum incurs a fairly significant uplift of costs over the life of the Encompass Programme and the Board expressed concern given that BSO holds the contract for the Encompass Programme. The Chief Executive stated that she will write to the SRO of Encompass expressing these concerns.

Members were asked to note that Thomas McCaffrey has been appointed as Head of Engagement and Communications and will attend future Board meetings.

## **7. Draft 2021/22 BSO Annual Report and Accounts**

### **(i) *Draft BSO Annual Report and Financial Statement & Presentation on BSO Financial Statements – Papers BSO 39/2022 and BSO 40/2022***

The Director of Finance presented the Executive Summary to the BSO Financial Statements for the year ended 31 March 2022 along with the Draft BSO Annual Report and Accounts for the year ended 31 March 2022.

She explained that the Annual Report and Accounts were presented to GAC at its meeting on 16 June 2022. She advised that the Audit Opinion has yet to be confirmed by the External Auditors however it is anticipated that they will confirm that BSO has met the statutory break-even financial targets and BSO's financial transactions are regular and will recommend to the NIAO to certify the 2021/2022 financial statements with an Unqualified audit opinion. In particular the DoF thanked Mr Simon McGrattan, AD Finance, for his tireless work in co-ordinating the audit of the annual accounts and his invaluable support to the Director of Finance in developing the annual accounts and Mr David Craughwell for the production of the Annual Report.

The Board endorsed the GAC's recommendation that the Annual Report and Accounts of the BSO for 2021/22 should be signed by the Chair, Chief Executive and Director of Finance along with the Letter of Representation.

**8. Revised Management Statement/Financial Memorandum (MSFM) – Paper BSO 42/2022 refers**

The Interim Director of CCP presented the revised MSFM for members’ approval. He advised the reason for the review was due to the closure of the HSCB and the consequential “hosting” arrangement for the SPPG staff in BSO and the MSFM has been amended to reflect this new arrangement. He confirmed to members that the amendments to the MSFM had been accepted by DoH Sponsor Branch.

Members approved the revised MSFM.

**9. BSO Claims Management Report 2021/2022 - Paper BSO 43/2022 refers**

The Interim Chief Legal Adviser presented the BSO Claims Management Report for 2021/22 and assured members that all claims are being handled in accordance with the BSO Claims Management Policy.

Members considered and approved the BSO Claims Management Report for 2021/22.

**10. Finance Report – Month 2 – Paper BSO 44/2022 refers**

The Director of Finance presented paper BSO 44/2022; a finance report for the two month period ending 31 May 2022.

The summary financial position shows the reported income and expenditure position for the period, with an overall surplus reported for this period and at this stage in the year a break even position is forecast for year end.

Members were reminded again of potential financial pressures to the organisation in this financial year which included inflationary drift which is much higher than previous years and will have a significant impact on the BSO run rate of expenditure in 2022/23. As members are aware a budget has yet to be agreed and DoH has indicated there will likely be a drive towards efficiency savings to meet the challenging financial outlook. BSO is developing a Business Case in respect of the Supply Chain Strategy and Warehouse leases to supply and maintain PPE for five years in line with the PPE Strategy; the current lease will end in August 2022. The Chief Executive advised members that she has raised the issue of the continuation of providing PPE and other services to the Independent Sector which was initiated during Covid and if BSO is covered from a legislative perspective.

Members were reminded that as per the agreed new hosting arrangement with the DoH Strategic Performance and Planning Group (SPPG) effective from 1 April 2022 BSO will have responsibility and accountability for the accounting transactions and expenditure for both revenue and capital as part of the statutory year-end financial statements and annual report. It was suggested and agreed for governance purposes that as part of the current financial performance report presented to the BSO Board that a quarterly update on the income and expenditure for SPPG should be included. The Chief Executive advised that she will alert this action to the CX, SPPG at her next update meeting. The Chair of GAC also suggested that the DoF SPPG should be invited to the next meeting of GAC to brief her on the requirement that the Board has oversight of SPPG financial performance report.

Members noted the finance report.

**11. *Corporate Balanced Scorecard – Paper BSO 45/2022 refers***

The Interim Director of CCP presented paper BSO 45/2022 which set out the performance of key service areas in the BSO for the period up to 31 May 2022. He highlighted those measures with a red rag rating and explained the circumstances which led to the evaluations. It was noted that the NED/Exec Director pairing meetings had been reinstated and the Interim Director of CCP urged members to focus on the Business Plan when reviewing the service areas KPIs. Members were reminded that the completed pairing templates must be returned to CCP by the end of August to help form the agenda for the workshop to review the Corporate Balanced Scorecard scheduled for 6 September 2022.

Members noted the BSO Corporate Scorecard.

**12. *HSCB Migration to BSO – Update***

The Director of HR&CS updated members on HSCB migration to BSO. Arrangements are in place and BSO is working closely with colleagues in SPPG and DOH and to date no significant issues have arose. In answer to a question from Professor Whittington regarding responsibility for the management of estates in respect of the Linenhall Street accommodation, the Director of HR&CS confirmed that SPPG is responsible for Estates however BSO has offered to provide this service via an SLA.

**13. *Strategic Review of BSO – Update***

The Chair and Chief Executive met with the Permanent Secretary on 20th June to brief him on the Phase 2 Report of the BSO Review; the meeting was very positive however notwithstanding the Perm Secretary stated that he expects to see evidence arising from the outworking's of the review and to be kept apprised. To that end the Chair suggested that the BSO Review Oversight Board should be reinstated to monitor progress to manage the Permanent Secretary's expectations and to appoint a Programme Manager to manage the Review.

She also took the opportunity at the meeting invite the Permanent Secretary to a future Board meeting which he confirmed he was content to do so.

**14. *Governance and Audit Committee (GAC)***

**(i) *Report of Meeting held on 16 June 2022***

The Chair of the GAC briefed members on the key issues discussed at the GAC meeting held on 16 June 2021. As outlined earlier in the Board meeting a large proportion of the meeting was dedicated to consideration of the Annual Report and Accounts for 2021/22. Three Internal Audit reports were presented to the Committee with Limited Assurance: Financial Review for 2021/22, Information Governance and RSSC (recruitment processes). With regard to Information Governance the Director of HR&CS advised that she has commissioned an independent review to be undertaken on this area of work and the report will be presented to SMT when completed. With regard to RSSC it was noted that the regional review of recruitment is still ongoing to standardise some of the recruitment processes and to that end it was suggested that a presentation on the Review should be made to the Board when it holds its meeting in RSSC premises in September.

The minutes of the GAC meeting held on 21 April 2022 were noted by members.

(ii) ***GAC Annual Report for 2021/22 – Paper BSO 47/2022 refers***

Members noted the GAC Annual Report for 2021/22.

15. ***AOB***

There was no any other business.

16. ***Date of Next Meeting***

The next meeting of the BSO Board will take place on Thursday 25 August 2022 at 10.00 am

The Chairman thanked everyone for attending and closed the meeting.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Chief Executive

Date \_\_\_\_\_