BSO 193/2026

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The one hundred and ninety third meeting of the Board of the Business Services Organisation was held on Thursday 25 June 2026 at 10.00am in the Boardroom, BSO HQ, 2 Franklin Street, Belfast, BT2 8DQ.

Present:

Sharon O'Connor (Chair)

Mr Mark Lowry
Mrs Bernie McCrory
Mr Linus McLaughlin
Mr Maynard Mawhinney
Mr Peter Russell
Mr Alan Todd
Mr Fred Smyth
Mr Joe Stewart

Mrs Karen Bailey (Chief Executive)
Mr Simon McGrattan (DoF)
Mr Robin Arbuthnot (Interim Director of People & Place)
Miss Lesley Young (Director of Ops)

In Attendance:

Mr Ben Doran (Director of Digital)
Mrs Karen Hunter (Director, SP&CE)
Miss Anne Basten (Equality Manager) in attendance for Agenda item 8
Miss Amanda Mills (Board Secretary)

1. **Apologies**

There were no apologies for absence.

2. **Conflicts of Interest Declarations**

There were no conflicts of interest declared.

3. **Minutes of BSO Board Meeting held on 28 May 2026**

The minutes of the meeting held on 28 May 2026 were considered and approved subject to a minor amendment to minute 7.1 – BSO Financial Strategy 2026-27.

4. **Action Template – Paper BSO 43/2026 refers**

Members noted the contents of the Board Action Template which were confirmed as closed.

5. **Chairs Business**

The Chair reminded members to complete their annual appraisals for 2025/26 and also highlighted that closing date for submission of responses to the Board Effectiveness Survey was close of play today. Thereafter responses to the survey will be evaluated and a report will be circulated to members in due course.

The Chair reported that the Remuneration Committee had met on 22 June 2026 and advised that she would brief members on key issues under the confidential section of today's Board meeting.

The Chair also reported on her recent engagement with the Chairs of the South Eastern Trust and the Public Health Agency and confirmed an intention to continue networking with other Chairs during the year.

Members noted the Chairs business.

6. **Chief Executive's Report - Paper BSO 44/2026 refers**

The Chief Executive presented her monthly report to the Board which included details of key meetings attended during June 2026.

The Chief Executive provided a high-level update on Equip, confirming that the programme had reached a significant milestone with User Acceptance Testing (UAT) commencing the previous week. Testing will continue over the next four to five months. Early user feedback, including from a HR user meeting, had been positive. The Chief Executive noted that this represented important progress towards the planned Release 1 go-live scheduled for November 2026. Phase 2 was highlighted as more complex and requiring a more nuanced approach. The Chief Executive confirmed that BSO readiness activities, including training, were progressing well and that a further Gateway Review would be undertaken prior to go-live, although no date had yet been set. In response to a query from Alan Todd regarding whether risk scores had reduced, the Chief Executive advised that the position had improved but that risk scores had not yet been reduced.

The Chief Executive reported that end-of-year appraisals for Directors were nearing completion and that a report on senior executive performance would be presented to the Remuneration and Terms of Service Committee late Summer/early Autumn. It was noted that senior executive performance is now linked to pay progression.

The Chief Executive advised that she had attended the NHS Confederation Expo 2026 event in Manchester and for the first time counterparts from the Republic of Ireland had joined the Four Nations Forum.

Members were briefed on the financial pressures facing HSC following a 6% reduction in budgets. The Chief Executive highlighted procurement benchmarking as an area with potential for savings and advised that initial work had commenced with Trusts, with cardiology identified as an initial project area. The work will focus on supply chain opportunities relating to medical devices. This ground breaking initiative was noted as collaborative and supported through the Committee in Common (CIC). It was agreed that the Director of Operations and Head of PaLS would update the Board as the work progresses.

The Chief Executive reported that the Chief Executives Group had asked BSO to develop an initial proposal to support a shift from agency recruitment to bank recruitment. Members were advised that this would require significant work by Recruitment Shared Services (RSSC) and may impact upon day to day recruitment activity.

The Board discussed ongoing pressures within Counter Fraud, including a significant and increasing volume of complex cases. The Chief Executive advised that internal recalibration was underway but that the Department of Health had confirmed there would be no additional funding to support the additional work, however some smaller cases may be referred to PSNI. Members discussed the implications of the DoH's decision not to fund the business case and expressed concern and frustration regarding the impact on capacity and potential savings. Joe Stewart emphasised the importance of maintaining an audit trail of the Department's decision, which had been raised at a recent ground clearing meeting with BSO and the Department on 22 June 2026. Alan Todd suggested there may be merit in asking DoH to review the relevant regulations. Linus McLaughlin requested that Counter Fraud provide a further presentation to the Board.

The Chief Executive referred to the progression of the CEC/LC Review and noted her understanding that other Arm's Length Bodies were undergoing a similar process. She also reported on a positive joint meeting between HSE Ireland and BSO, attended by the Chief Digital Information Officer, with a suggestion that the engagement should continue once or twice a year.

Members noted the Chief Executive's monthly report to the Board.

7. **Draft 2025-26 BSO Annual Report and Accounts –**

7.1 ***Report on the 2025-26 Annual Report and Accounts (Draft) – Paper BSO 45/2026 refers***

The Director of Finance presented the draft Annual Report and Accounts for 2025–26. Members noted that BSO had recorded a £30k surplus. The statement of comprehensive expenditure reflected increased income from the Revenue Resource Limit and Trusts, with income increasing by 3%. The decrease in sale of goods was attributed to reduced PPE sales. The Balance Sheet reflected an increase in intangible assets, including Encompass and Equip. Members noted the impact of SPPG within the accounts, with SPPG breaking even and no impact on BSO. The losses statement relating to PPE stock beyond use was also noted, including the provision received and permission granted to recycle the stock.

The Board discussed the proposed audit opinion. Members were advised that the accounts may be qualified in relation to stock valuation and that there was also reference to a potential breach of break-even, with this matter also being considered within Department of Health's Accounts.

The position was being disputed.

Members noted the position.

7.2 ***Draft Governance Statement 2025-26- Paper BSO 46/2026 refers***

The draft Governance Statement for 2025-26 was reviewed and it was noted the inclusion of one internal divergence relating to the General Dental Service (GDS) payment.

7.3 ***Letter of Representation: BSO – Year ending 31 March 2026 – Paper BSO 48/2026 refers***

Members noted the Letter of Representation, which would be signed by the Chief Executive and submitted with the Annual Accounts.

7.4 ***Draft BSO Annual Report and Accounts for 2025/26 incorporating The Certificate & Report (Annex A) of the Comptroller and Auditor General to the NI Assembly – Paper BSO 49/2026 refers***

The Board endorsed GAC's recommendation that the Annual Report and Accounts of the BSO for 2025/26 should be signed by the Chair, Chief Executive and Director of Finance. The Board noted the positive movement in the C&AG report and the recognition of BSO's actions. Fred Smyth acknowledged the actions undertaken by DoF and GAC members in robustly challenging the initial wording in the C&AG Report and secure a more balanced outcome. The Chair and Mark Lowry also thanked those involved for their diligence and work to complete this task within a very tight timeframe.

The Board approved the Draft BSO Annual Report and Accounts for 2025/26 incorporating the C&AG Certificate and Report. Approval was proposed by Fred Smyth and seconded by Joe Stewart.

8. **Five Year Review of Equality Scheme – Paper BSO 50/2026 refers**

Anne Basten, Equality Manager, presented the statutory Five Year Review of the Equality Scheme. Members were advised that the review demonstrated considerable progress by BSO and partner organisations, supported by strong partnership arrangements and collaborative working across 11 organisations. The review was framed within Section 75 of the Northern Ireland Act 1998 and the Equality Commission's Model Scheme.

Key findings included evidence of good practice through collaboration, leadership, equality champions at Board level, good governance arrangements and the importance of equality screening as a traceable mechanism for mainstreaming equality considerations. Members acknowledged the importance of ensuring equality is embedded as a mindset across the organisation. Joe Stewart noted the challenge for senior leaders in scrutinising screening activity, while Maynard Mawhinney welcomed the report and emphasised that equality is everyone's responsibility.

The Board approved the statutory Five Year Review of the Equality Scheme for onward submission to the Equality Commission by 30 June 2026.

9. **Finance Report – Month 2 – Paper BSO 51/2026 refers**

The Finance Report for Month 2 was presented. Members were advised that a final budget had not yet been agreed and that current figures were based on indicative allocations. Overall expenditure was anticipated to be £300m, with a projected year-end surplus of £29k. Key risks included obsolete PPE stock, the 2026/27 Northern Ireland Executive Budget and inflationary pressures, including potential impacts arising from the Middle East crisis. These risks will continue to be monitored.

Members noted the Finance Report for Month 2.

10. Emergency Planning & Business Continuity 3 Year Work Plan – Paper BSO 53/2026 refers

The Interim Director of People and Place presented the Emergency Planning and Business Continuity Three-Year Work Plan. The purpose of the paper was to provide assurance that robust arrangements were in place and to set out planned activity, including the appointment of a BSO Emergency Planning and Business Continuity Manager, a proposed Business Continuity exercise scheduled to take place in Autumn 2026, and self-assessment work to support compliance with HSC Core Standards.

Alan Todd suggested that the Work Plan should explicitly reference the limited assurance audit report, cross-reference the associated action plan and reflect relevant risks within risk documentation. Members agreed that progress and milestones should be clearly set out and that the Plan should include a prioritised section demonstrating how recommendations from the limited assurance audit report are being addressed. The Chief Executive noted that the importance of business continuity arrangements was being reinforced by the Department of Health Sponsor Branch and that further correspondence to HSC organisations was anticipated. The Chair offered to provide input as required.

The Board approved the Emergency Planning and Business Continuity Three-Year Work Plan, subject to the agreed amendments and cross-references.

11. Identity and Language Act 2022 – Paper BSO 54/2026 refers

The Interim Director of People & Place presented a briefing paper which sought to raise awareness of the provisions of the Identity and Language (Northern Ireland) Act 2022. Members were advised that Equality and Directorate of Legal Services colleagues were reviewing the implications of the Act and that a further report would be brought back to the Board.

Members noted the update.

12. Report of GAC Meeting held on 19 June 2026

The Chair of GAC briefed members on the key issues considered at the GAC meeting held on 19 June 2026. Members noted progress made by SP&CE in relation to the Risk Register. Internal Audit issues were highlighted, including Information Governance and Business Continuity, with a requirement for comprehensive action plans to address Internal Audit recommendations.

The GAC minutes of the meeting held on 19 May 2026 were noted by the Board (Paper BSO 55/2026 refers)

13. Updated Declaration and Register of Members' Interests – Paper BSO 56/2026 refers

Members noted the revised Declaration and Register of Members' interests for 2026/27 and were reminded that any changes should be notified to the Board Secretary.

14. Any other Business

There was no any other business raised.

15. **Date of Next Meeting**

The next meeting of the BSO Board will take place on Thursday 27 August 2026 at 10.00am in BSO HQ.

The Chair thanked everyone for attending and closed the meeting.

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Chair

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Chief Executive

Date ___________________________