

**BUSINESS SERVICES ORGANISATION****Minutes of Proceedings**

The one hundred and ninety fourth meeting of the Board of the Business Services Organisation was held on Thursday 27 August 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 Joe Stewart

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

**In Attendance:**

Mr Ben Doran (Director of Digital)  
Mrs Emma Thompson (AD Finance) attending obo Simon McGrattan (DOF)  
Miss Vicky Gunning (Performance and Improvement Manager) in attendance for Agenda items 7, 8 & 9.  
Mr Aodhan Carland (Governance & Risk Officer) in attendance for Agenda item 9  
Miss Amanda Mills (Board Secretary)

**1. Apologies**

Apologies for absence were received from Simon McGrattan and Karen Hunter.

**2. Conflicts of Interest Declarations**

There were no conflicts of interest declared.

**3. Minutes of BSO Board Meeting held on 25 June 2026**

The minutes of the meeting held on 25 June 2026 were considered and approved subject to a minor amendment to the wording in "Minute 6 – Chief Executive's Report"- relating to fraud and the ongoing pressures within Counter Fraud. It was agreed that the minutes should be amended to reflect the clarification suggested by Alan Todd on the proposed review of Counter Fraud regulations and practices and the resulting action accurately.

A discussion ensued whether the Counter Fraud Unit (CFU) should set out what was working effectively and where the current regulatory and procedural arrangements were creating difficulty. The Director of Ops confirmed that correspondence to the Department of Health (DOH) was being prepared concerning the use of different methodologies and the Department's

view would be sought. The increased pressure and risk facing CFU, together with the need to review internal processes and protocols, were noted.

The Chief Executive advised that the regulations and associated practices required significant staff time and that streamlined processes and regulations would be helpful. CFU's workload has increased significantly and the Unit had never been busier. The organisation had a Service Level Agreement (SLA) with DOH for this work, but no additional funding had been provided for the increased workload. BSO will continue its deep-dive exercise, triage activity and prioritisation of the most significant matters. If the regulations were found to impede more effective delivery, BSO would write formally to DOH, recognising that policy decisions rested with the Department.

#### **4. Action Template – Paper BSO 56/2026 refers**

Members noted the contents of the Board Action Template. The Interim Director of People & Place advised that the BSO's Equality Unit would not be in a position to progress the Identity and Language Act action point until, at the earliest, after the May 2027 elections.

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

The Chair reflected on a very busy summer period and referred to Mr Smyth's resignation at the end of July. The Department of Health had confirmed that the Minister had approved the appointment of a new Board member, and further details were awaited. Work was also continuing to secure a replacement member for the Governance and Audit Committee (GAC).

The Chair confirmed that the NED annual Board appraisals had been completed and returned to the Department of Health within the required timescale. A special note of thanks was extended to those who had contributed to the Board Effectiveness Evaluation questionnaire, the results of which would be presented later in the meeting.

The Chair briefed members on a session for Arm's-Length Bodies (ALBs) and Chairs concerning the financial response to savings challenges across Health and Social Care. Trust financial plans were due to be considered by Trust Board meetings this week and trade unions had been briefed. Members were advised of a significant funding gap of £764 million and of plans for Trusts to work collectively towards 4% savings in each of three years on a non-recurrent basis. Measures included workforce-related savings, restrictions on agency expenditure, vacancy controls and procurement benchmarking. Trade unions had requested speaking rights at Trust Board meetings. The Chief Executive noted that the Minister had instructed Trusts not to make savings that would adversely affect patients as part of Phase 2 of the savings plan.

The Chief Executive reported that BSO had been proactive in developing its reset proposals and the BSO's DoF had prepared a detailed proposal which he would brief the Board in the near future. Potential opportunities included invest-to-save initiatives, procurement benchmarking, a staged programme of savings and the possible provision by BSO of an end-to-end bank staff service. Wider shared-services opportunities would depend on Trust engagement. The DoF is continuing to keep HSC Directors of Finance informed of BSO's proposals. The potential impact of the Agenda for Change (AFC) pay award was also highlighted as a significant concern.

Members noted the Chairs business.

**6. Chief Executive's Report - Paper BSO 57/2026 refers**

The Chief Executive presented her monthly report to the Board.

The Chief Executive reported that the Permanent Secretary had visited the Digital Directorate at James House on 26 August 2026. A series of presentations showcased BSO's digital services and major programmes. The Chief Digital Information Officer (CDIO) also attended. The Chair commented on the breadth, scale and complexity of BSO services and encouraged Board members to visit service areas; it was agreed that a schedule of visits will be produced across all service areas over the next year. The Director of Digital advised that staff had greatly appreciated the visit.

The Equip Programme is entering the final months before the projected Phase 1 go-live. The Chief Executive is scheduled to brief the Department of Health (DoH) Senior Leadership Team (SLT) on 1 September 2026. User Acceptance Testing (UAT) is well under way and progress is making good headway. That being said major risks still remain and mitigations are being actively pursued with the principal supplier. In tandem BSO is also developing arrangements to manage issues after go-live. Members were advised that the programme will remain RAG-rated Red until go-live, ie the current target was the end of November 2026 for Release 1.

Work is also proceeding concurrently on Release 2, covering Human Resources and Payroll, which is recognised as particularly complex due to the number of payment cycles involved. A lengthy discussion ensued regarding the implications of any extension to Release 1, including significant cost pressures and consequential delay to Release 2. The Director of Digital advised that a pathway to go-live existed, with performance testing being the key risk. The Chief Executive confirmed that supplier failures to meet stage gates has been clearly documented.

The Chief Executive referred to discussions with NHS Shared Services in England, who had experienced similar challenges following implementation of a comparable major platform.

The Board was asked to recognise that delivery of Equip would remain a central organisational priority over the coming months.

The Chief Executive reported that the Module 5 Report of the Covid-19 Inquiry had been published and that BSO would be required to contribute to the subsequent recommendations. A Task and Finish Group had been established and the Chief Executive had met the Department of Health official leading on this programme of work. Resource implications, future operating models and demand planning were identified as key issues. BSO had requested active involvement so that the organisation's responsibilities and resource requirements could be properly considered. It was noted that the existing Service Level Agreement (SLA) or Memorandum of Understanding (MOU) relating to Emergency Planning required strengthening and amendment.

It was suggested and agreed that the Director of Operations along with the Head of PALs should brief the Board on the Covid Inquiry response and emergency planning arrangements later in the year.

The Executive Leadership Team (ELT) had recently attended a Microsoft Executive briefing on Artificial Intelligence and would now consider opportunities for BSO transformation. Peter Russell briefed members on a Strategic Investment Board initiative aimed at delivering tangible streamlining of public-sector services and described this as a significant opportunity. The Chair sought assurance that BSO was positioning itself appropriately in the wider public-sector arena.

The Chief Executive confirmed that BSO was actively engaged with the Chief Digital Information Officer around transformation. She explained the significant challenges arising from BSO's funding model, particularly in relation to innovation projects and advised that an internal innovation project was being supported through slippage funding.

The Chief Executive advised that workshops with Directors of Finance on BSO's Innovation and Reset Plan were continuing.

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

**7. Performance against Business Plan (PABP) – Quarter 1 (1 April 2026 - 30 June 2026) – Paper BSO 58/2026 refers**

Vicky Gunning, Performance and Improvement Manager, briefed members on progress against the Annual Business Plan for 2026/27 for Quarter 1. Of the actions in the Business Plan, 6.4% were reported as complete, 80.6% were RAG-rated Green and considered on track, and 12.9% were RAG-rated Amber. It was noted that a degree of slippage at this stage of the year was expected. Mark Lowry expressed an interest in seeing the outcomes of the benchmarking exercise when available.

Members noted the PABP for Quarter 1.

**8. Board Performance Dashboard – Quarter 1 (1 April 2026 – 30 June 2026) – Paper BSO 59/2026 refers**

Vicky Gunning, Performance and Improvement Manager, presented the Performance Dashboard for Quarter 1 – 30 June 2026.

All reported key performance indicators were rated Green, representing a strong start to the year.

Members received commentary on performance across PaLS, Legal Services, Family Practitioner Services, Recruitment Shared Services Centre, Human Resources, Payroll Shared Services and Information Technology Services.

For Legal Services, the performance measure had recently moved to a 12-month rolling average, which was considered a more accurate representation and would remain under review. Family Practitioner Services (FPS) contractor payments continued to be made on time. In relation to Recruitment Shared Services, the Chief Executive identified Trust approval arrangements and Occupational Health processes as key constraints in the time from requisition to advertisement. The Interim Director of People & Place highlighted that the reported statistic did not show the significant annual growth in requisition volumes, including increased demand for bank requisitions. The Chair welcomed the data as evidence of positive BSO performance.

The Performance and Improvement Manager referred to the BaDC workshop scheduled for 21 September 2026 to review Key Performance Indicators (KPIs). Alan Todd highlighted the evolving risk of maintaining performance indicators with fewer staff and increasing workload.

The Director of Operations referred to work on the largely manual FPS payment process and the potential use of artificial intelligence to strengthen assurance. The Chief Executive reiterated that continuous improvement and technology-enabled efficiency to enhance automated services were central to BSO's approach and would be visible to members during future service visits.

Members noted the Board Performance Dashboard for Quarter 1.

#### **9. 2026 Board Effectiveness Evaluation Report – Paper BSO 60/2026 refers**

Aodhan Carland, Governance and Risk Manager, presented the annual Board Effectiveness Evaluation. He outlined the questionnaire process, comprising of 52 statements across 15 domains and three open-ended questions. The overall results were predominantly Green and Amber, with one Red response concerning whether the Board avoided becoming overly operational in its focus.

The evaluation identified strong governance, assurance and stewardship; an effective committee structure; positive leadership from the Chair; experienced and committed Board members; and a culture of continuous improvement as key strengths. Linus McLaughlin noted an 80% response rate, with three of 15 members not completing the questionnaire. In response to a query about external benchmarking, Aodhan Carland advised that he had been unable to identify a suitable comparator however this was the first year of the approach and benchmarking might be revisited at a future time.

Mark Lowry cautioned that it was still early to draw firm conclusions because the Board was relatively new and had experienced considerable change during the previous year. The Chair emphasised that the principal purpose of the exercise was to identify practical areas for improvement.

Recurring improvement themes included the need for a stronger strategic focus; further development of Board culture and behaviours; fuller embedding of governance arrangements; a structured induction programme; and effective utilisation of changes in Board leadership and membership. The Chair agreed that the Board induction process should be streamlined and should make greater use of Artificial Intelligence. Suggestions included a toolkit, an organisational chart setting out all the component parts of the BSO and support to understand the many acronyms used across BSO.

Members discussed the fine balance between strategic and operational oversight and the scope for Non-Executive Directors to bring a different perspective. Mark Lowry suggested a purposeful discussion on Board culture and the contribution of Non-Executive Directors, and members agreed that dedicated time would be beneficial; Alan Todd highlighted the need to sequence Board work effectively. The Chair also referred to professional development provision and the challenge of securing suitable training, noting that an external perspective might be helpful.

#### **10. Finance Report – Month 4 – Paper BSO 61/2026 refers**

Emma Thompson, AD Finance presented the Finance Report for Month 4.

The financial position was reported as stable at this stage of the year, with a break-even position forecast at year end. A forecasting exercise was nearing completion and the outcome would be reported to the Board in October 2026.

In relation to capital, work was continuing on the indicative allocation. Activity was on track, and a recent monitoring exercise had identified a number of pressures. The Chair asked whether there were any credit-control concerns. Emma Thompson advised that she was not aware of any

significant issues and confirmed that any such matters would be escalated to the Executive Leadership Team. The Chair requested that the position continue to be monitored closely.

Linus McLaughlin referred to Covid-related funding. It was confirmed that this funding was ring-fenced, related to warehouse costs and was being tracked against Covid-related issues.

Members noted the Finance Report for Month 4.

**11. Family Practitioner Services - Appointment of New Chairs to Dental and Ophthalmic Committees – Paper BSO 62/2026 refers**

The Board noted with interest the appointments of Paul Reaney as Chair of the BSO Dental Committee and Jill Campbell as Chair of the BSO Ophthalmic Committee for a four-year tenure commencing on 1 August 2026.

**12. Report of Business and Development Committee (BaDC) meeting held on 19 August 2026 – Paper BSO 63/2026 refers**

The Chair of BaDC briefed members on the key issues considered at the BaDC meeting held on 19 August 2026.

The BSO Environment and Sustainability Policy was presented to BaDC and it was recommended that it should be presented to the Board for approval (**Appendix B refers**).

To that end the Board approved the BSO Environment and Sustainability Policy.

The Communications and Engagement Strategy had also been considered by BaDC however it has been deferred for further review because the Committee considered that a more concise document was required. It was agreed that the revised strategy would be resubmitted to the September BaDC meeting.

The BSO Performance Management Framework and Implementation Plan (**Appendix C refers**), was noted.

Members were advised that the BaDC Self-Assessment Survey would be presented to the November meeting.

The BaDC minutes of the meeting held on 11 May 2026 were noted by the Board (Appendix A refers)

**13. Updated Declaration and Register of Members' Interests – Paper BSO 64/2026 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**

The Director of Digital advised that a "Meet the Supplier Day" is scheduled to take place on 22 September 2026 at the Craigavon Civic Centre. It was agreed that the details of the event would be circulated to Board members.

15. **Date of Next Meeting**

The next meeting of the BSO Board will take place on Thursday 24 September 2026 at 10.00am in the Conference Room, Rosewood Villa, 73 Loughgall Road, Armagh, BT71 7PR.

The Chair thanked everyone for attending and closed the meeting.

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Chair

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Chief Executive

Date \_\_\_\_\_