BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The forty seventh meeting of the Business Services Organisation was held on Thursday 28 March 2013 at 2.00 pm in the Lecture Theatre, Clady Villa, Saintfield Road,

Present:

Mr Alexander Coleman (Chairman)

Mrs Geraldine Fahy	Mr David Bingham (Chief Executive)
Mr Greg Irwin	Mr Patrick Anderson (Director of Finance)
Mr Alan Hanna	Mrs Teresa Molloy (Director of Operations)
Mrs Hilary McCartan	
Mr Robin McClelland	
Mr Brian McMurray	
Mr Gerry Strong	

In Attendance:

Mr Alphy Maginess (Chief Legal Adviser)
Mrs Karen Bailey (Director of Customer Care and Performance)
Miss Amanda Mills (Board Secretary)

1. Apology

Apologies for absence were received from Sean Mahon and Hugh McPoland.

2. Chairman's Business

The Chairman referred to the recent communication from the Public Appointments Department advising non-executive directors of their re-appointment to the BSO for further terms of office ranging from two to four years.

3. Minutes

The minutes of the Board meeting held on 28 February 2013 were agreed subject to a minor amendment. Once this amendment is made the Chairman will sign the minutes.

4. Matters arising from Minutes

(i) ***Action Sheet Arising from Meeting held on 28 February 2013.***

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

(ii) ***Payment to Community Pharmacists – Accelerated Payments Project – Minute 4 (ii)***

The Director of Operations reported that the dual submission regime which had been rolled out in November had continued successfully in February. She added there continues to be an improvement in the quality of scripts presented for payment. The auto coding of scripts continues to exceed the required level of 65% which is the minimum required to meet a 30 day payment. She advised that due to the two bank holidays in March (St Patricks Day and Good Friday) as well as the systems failure due to the adverse weather conditions on 22 March 2013, BSO was unable to meet the 30 day readiness for payment to pharmacists. If it had have been mandatory to make the 30 day payment then FPS would have implemented measures to meet the payment deadline or implemented the contingency measures which have been discussed with HSCB and CPNI. However given that there has been a decision not to commence the formal implementation of the 30 day cycle until June 2013, these measures were not required. Members were advised that the BSO has recently received correspondence from the Chief Executive of the HSCB conveying his appreciation for the tremendous work carried out by BSO staff in delivering this project.

It was agreed that Board members would receive an update on this matter in June.

5. **Presentation on Publication of Payments to Family Practitioners**

Members were advised that this matter would be deferred to a future meeting.

6. **Financial Matters**

The Director of Finance presented the Finance Report for the eleven month period ended 28 February 2013. The overall position for each segment of the organisation was outlined to members. It was noted that the financial report showed that the income and expenditure account presented a surplus position which had been generated by Core Services, offset by a deficit within Managed Services and BSTP. Mr Anderson again highlighted the on-going uncertainty regarding the integrity and accuracy of the stock trading account, stock GL balance and related stock accrual accounts as a result of a number of on-going problems associated with stock issues to Trusts, following the implementation of new FPL systems. Mr Anderson reiterated that the continued uncertainty over stock trading 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 28 February 2013. In addition to the on-going uncertainty associated with Stock Accounting, BSO along with its HSC clients has experienced difficulties in transferring the payroll expenditure for the month of February from the HRPTS System to the General Ledger (FPL System) due in the main to a number of problems associated with the payroll interface. As a result, January payroll data had been used as a proxy to inform the February financial position. This would obviously have to be corrected in due course.

The Director of Finance advised that he has formally written to the BSTP Senior Responsible Officer (SRO) and Deputy Secretary, Julie Thompson on 7 March 2013 regarding these issues and the fact that they may impact on the ability of the Organisation to achieve financial break even and produce year end accounts for 2012/13 in line with the DHSSPS Faster Closing timetable. A copy of the letter to Julie Thompson was appended to the Finance Report for members' information. A lengthy discussion ensued regarding this matter and Mr Anderson informed members that the FPL System supplier (ABS) is in the process of producing a report on the Stock Accounting issues. The purpose of this report is to advise on closure, resolution and root causes of these issues and Mr Anderson reported that he had been given a commitment by ABS that this report would be finalised and issued to him no later than 4 April 2013. Once BSO is in receipt of this final report the Director of Finance will meet with both Julie Thompson and the External Auditors. Following these meetings and the forthcoming GAC meeting on 16 April 2013 he hopes to be in a position to confirm if the year- end accounts for BSO for 2012/13 will be produced within the stipulated Faster Closing timetable.

The Director of Finance informed members that at the end of every financial year Internal Audit provide a review of the services which the Finance Directorate provide to its client organisations. A preliminary report has been produced and due to the on-going problems in FPL and HRPTS it is likely that these reports will provide only Limited assurances to client organisations. Geraldine Fahy queried the reason why Internal Audit undertook this review when it was widely recognised there were flaws in the new systems.

In answer to a question from Hilary McCartan the Director of Finance confirmed that, given doubts about the accuracy and integrity of the Stock GL balance, BSO are undertaking a manual stock take in Pals over the Easter weekend to reconcile the stock balance recorded.

It was agreed that SMT, in consultation with the Department, will make the final decision on when BSO will produce and submit its year end accounts for 2012/13.

The Board noted the financial position as at 28 February 2013.

5. Update of Management of Contracts

The Chief Executive presented paper BSO 21/2013 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 89% of contracts compliantly awarded at the end of March, against a target of 80%.

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

6. BSTP and Shared Services Update

The Chief Executive presented paper BSO 22/2013 which provided members with key issues relating to both the FPL and HRPTS projects. The Chief Executive has established a group to address the issues around the payment and clearance of invoices on the FPL System on a timely basis, especially in light of the Department's recent circular on prompt payment of invoices. The group held its first meeting on 27 March 2013 where an action plan was agreed. The group will meet on a fortnightly basis until the number of unpaid invoices are significantly reduced. Members will receive a further update on this matter at the April Board meeting.
The go-live of the Voice Picking system is expected after the Easter holiday period. There has been an impact on the service of supplying consumable goods from the Pals Warehouse to end users, which means that Pals are having to fulfil a significant amount of emergency orders. This issue has been raised with the Department. Pals have continued to work closely with customers to minimise the impact and risks associated with the FPL implementation.

With regard to HRPTS, staff from the regional organisations and BSO were successfully paid their salaries for the month of March. The roll out of ESS and MSS is continuing with a number of training programmes taking place across BSO and the regional organisations.

Mrs Molloy briefed members on progress to date on the Shared Services Programme. In light of the problems of the systems roll-out, and the continuing delays in approval of the business case for the 4 accommodation centres, the Shared Services Project Team have been undertaking a re-plan based on revised assumptions on systems stabilisation and roll-out, and interim accommodation where necessary and are making steady progress. The BSTP Programme Board has approved key principles for the re-plan, which will formally come to the BSTP Programme Board for approval.

Recruitment processes for the senior posts continues. The Head of Recruitment took up post during the month of March.

Greg Irwin raised concern about the length of time the OBC for Shared Services Accommodation has taken. Mrs Molloy advised that given that the original authors of the OBC have moved on from the BSTP Project, BSO has engaged in a collaborative approach with the Department in dealing with the queries and that this will assist in expediting the approval process in DHSSPS and with DFP. It was recognised that the accommodation has continued to be the critical path in the Shared Services project to date and that only interim accommodation solutions can mitigate that dependency.

Members noted the position.

9. **Corporate Risk and Assurance Report**

The Director of Customer Care and Performance presented paper BSO 23/3which set out amendments to the Corporate Risk Report following a comprehensive review of the Report by SMT during the period January - March 2013. The paper also outlined progress made to date on risk actions.

It was noted that an additional risk had been added to the Register:- "Lack of system stability/Trust confidence is impacting on future FPL roll-out and therefore BSO reputation"; the risk was classified as Extreme.

It was noted that the Register now contained 5 risks which were classified as Extreme. In answer to question the Director of Customer Care and Performance assured members that a process is in place whereby Directors review individual Service Risk Registers and risks are escalated as appropriate for consideration on the Corporate Risk Register which is reviewed monthly by SMT and quarterly by the BSO Board.

Members noted the position.

10. **Corporate Balanced Scorecard**

The Director of Customer Care and Performance presented paper BSO 24/2013 setting out the performance of key service areas in the BSO for the period up to 28 February 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 the Director of Operations advised that Pals has initiated a robust action plan to meet the target in Indicator C3.

It was noted there was a significant increase in the number of complaints and FOI requests in February. The Director of HR&CS agreed to undertake an analysis of this matter.

Mr McMurray raised concern about indicators IP1 and IP2 iro payment of invoices within terms of target and within 30 days respectively. The Director of Finance referred to the workshop which had taken place on 27 March 2013 looking at practical measures to remedy this issue on a short term basis. The group will also be looking at medium to long term issues and in particular the issue of auto matching, which needs to be improved before a significant and sustainable improvement in prompt payment can occur.

Members noted the Corporate Scorecard for February 2013.

11. **Appointment of Disability Champion at Non-Executive Board Member Level**

The Director of Customer Care and Performance presented paper BSO 25/2013 setting out the rationale for appointing a BSO Disability Champion at non-executive board member level. This is an action included in the Disability Action Plan. It was agreed that if interested non-executive members should contact the Chief Executive's Office; if no-one registers an interest the Chairman will make an appointment. Mr McClelland suggested that the BSO should give consideration to appointing a staff Disability Champion to provide a similar function to the non-executive's role. This matter will be discussed at SMT.

12. **Any Other Business**

(i) ***Data Outage***

At the invitation of the Chairman the Director of Customer Care and Performance briefed members of a further data outage on Friday 22 March 2013. In light of the adverse weather conditions which were forecast for 22 March 2013 ITS made contact with Belfast Estates on 21 March 2013 asking for confirmation of the arrangements in place in case of a systems failure. Belfast Estates confirmed that arrangements were in place to monitor conditions. There were a series of power failures that evening/night linked to the adverse weather conditions. The power outages caused a shutdown in the air conditioning system at the Royal Data Centre. ITS became aware of the aircon issues and took the appropriate action to contact the stand-by air conditioning engineer. The oncall aircom engineer was not immediately available due to other call outs. ITS also asked Belfast Trust to switch to generator mode but due to the Operating Theatres and other vital hospital functions being in operation this could not be actioned immediately. The failure of the aircon system then led to some systems shutting down in the Data Centre. ITS staff restored services on Saturday 23 March 2013 and Mrs Bailey briefed members on the impact of the outage and the steps taken to minimise impact on clinical and business systems.
ITS have requested a meeting with Belfast Trust to discuss the issue of duty engineers and mitigating actions. The Chairman once again raised his concern at the frequency of the data outages and the fact that BSO ITS are reliant on third party Data Centre environment arrangements. The Chairman will speak to Sean Mahon and ask for his view on the matter given ITS is his specialty. He also suggested that the Chief Executive should meet with Sean Mahon and Karen Bailey and produce a short paper on the Key issues around the Data Centre and the options to address these issues. If possible the paper should be produced for the April Board meeting.

The Director of Customer Care and Performance informed members that the OBC for a shared data centre facility for the public sector in NI is near completion and will be submitted to the Department for approval. The Department has also asked BSO to produce its own Business Case for a data centre facility and the first draft is near completion. On the foot of this matter the Director of Customer Care and Performance has been working with HSCB commissioners for strategic support. Members will be kept appraised of the situation.

13. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 25 April 2013 in the Conference Room, Pals, 77 Boucher Crescent, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

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Chair

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Chief Executive

Date __________________________