

BUSINESS SERVICES ORGANISATION

Minutes of Proceedings

The forty fourth meeting of the Business Services Organisation was held on Thursday 20 December 2012 at 10.00 am in the Boardroom, BSO HQ, 2 Franklin Street, 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)

Mr Hugh McPoland (Director of HR&CS)

Mrs Teresa Molloy (Director of Operations)

In Attendance:

Mr Shane Devlin (Director of Business Systems Transformational Programme)

Mr Alphy Maginess (Chief Legal Adviser)

Mrs Rita Marsden (AD Customer Care and Performance)

Miss Amanda Mills (Board Secretary)

1. Apology

An apology for absence was received from Mrs Karen O'Loan.

2. Chairman's Business

At the outset of the meeting the Chairman welcomed Rita Marsden, Assistant Director of Customer Care and Performance, to the meeting who was attending on behalf of Karen O'Loan.

The Chairman was pleased to inform members that following the recent assessment undertaken by Investors in People (IIP) in early December, BSO has been informed that the Assessor has indicated that she will be recommending BSO for accreditation. On behalf of members the Chairman congratulated SMT and in particular Hugh McPoland, Paula Smyth and Anne McCormick for the significant amount of work and effort involved with the preparation for the Assessment and also to all staff concerned.

The Chairman reminded members that the annual Christmas buffet lunch is scheduled to take place at 12.30 pm today and to that end he was aiming to complete Board business at 12 Noon.

3. Minutes

The minutes of the Board meeting held on 29 November 2012 were agreed as a true and accurate record of proceedings.

4. Matters arising from Minutes

(i) Action Sheet Arising from Meeting

The actions arising from the BSO Board meeting held on 29 November 2012 were noted by members.

5. Financial Matters

The Director of Finance advised that due to the Board meeting taking place a week earlier in the month it was not possible to produce a full finance report for the eight months ended 30 November 2012. A full finance report for the nine months ended 31 December 2012 will be presented to the January Board meeting which will include the second Latest Best Estimates exercise.

Members noted the interim financial position.

6. Update of Management of Contracts

The Chief Executive gave an update on progress of the PaLS Recovery Plan. An extract of the fortnightly report that goes to SMT was presented to the Board outlining progress on the award of contracts. It was noted that to date 63 tenders have been awarded and 127 contracts, and is still ahead of schedule in the awarding of contracts. The Board noted the report and commended the progress being made.

The Chairman advised members that the first meeting of the Board Sub-Group took place on 19 December 2012 and briefed members on what was discussed. The sub-group will meet again in January 2013 and it is expected that there will be a report on its findings to the January Board meeting.

Members noted the position.

7. Update on Gartner Review

The Chairman advised members that the Board sub-group will not meet again until the New Year. At the invitation of the Chairman the Director of Finance advised members that the resourcing structure as outlined in the PID has been implemented and actioned, and work is progressing on the 5 workstreams. The BSO is working with the Leadership Centre on the tendering process to appoint a resource to project manage the workstreams. A technical resource has been commissioned in ITS and work is underway.

With regard to the Data Centres the Chief Executive informed members that a planned stand-down is scheduled to take place in the BCH Data Centre on 12 January 2013 involving ITS, Belfast Trust and a technical expert. He also advised that BSO has written to the Belfast Trust asking for an assurance that the two data centres are operating in a reliable and resilient environment.

To date BSO has not received a response from Belfast Trust however a meeting has taken place with representatives from Trusts regarding the 3 outages and the Department have also been briefed on the situation.

The Board noted the position.

8. Payment to Community Pharmacists – Accelerated Payment Project

The Director of Operations presented an update paper entitled Payment to Community Pharmacists – Accelerated Payment Project. The paper provided an update for the Board on the Accelerated Payment Project which was introduced after completion of a consultation exercise by HSC on changes to the current ‘Special Advance’ payment to Community Pharmacists.

The Director of Operations drew members’ attention to a new dual submission regime which has been rolled out in order to achieve the 30 day payment on a reliable basis. She was pleased to announce that dual submission was rolled out to all 533 community pharmacists in November. The auto coding of scripts continues to be monitored and is being maintained at the minimum required level of 65%, which is critical to the implementation of the 30 day payment process. She reported that a period of stabilisation will be requested as part of the implementation project, in order to ensure the 30 day regime, once attained, can be sustained reliably.

It was suggested and agreed that, if time permits, Board members should visit the Pharmaceutical Department in FPS to view the pharmacy scanning payment process.

The Board noted this information and acknowledged the progress being made within the project.

9. BSTP and Shared Services Update

The BSTP Programme Director reported that the Finance Procurement and Logistics (FPL) systems did not go live on the scheduled date of 17 December 2012 for the Northern, Southern, South Eastern and Ambulance Trusts as there were concerns relating to the levels of stability required to ensure the success of future deployments. A corrective action plan has now been produced to address the areas of concern; these include interface issues in the logistics processes, intermittent performance issues and data conversion issues. The poor systems performance has ultimately impacted on the procure to pay process.

The Director of Operations outlined to members the steps being taken by PaLS to address the continuing need for emergency issues from the warehouses and the backlog in requisition processing for the Belfast and Western Trusts, which includes allocating additional resources, management support, and monitoring arrangements directly with some Trusts. An evening shift has commenced in the Boucher warehouse, additional agency staff have been trained and deployed in Procurement, and significant levels of overtime working are continuing.

It had been decided to defer the go live with the Axon solution in respect of HRPTS until 17 December 2012 for the January payroll. In light of the delay a revised programme has been put in place for the overall HRPTS programme with the supplier.

Following the formal evaluation of tenders, the FPS Project Board is in the process of preparing a full Business Case to the Department, and the nomination of a preferred supplier. The Project Board is scheduled to meet on 21 December 2012 to deal with relevant approvals for these next steps.

The revised Outline Business Case (OBC) for Shared Services accommodation has been submitted to the Department and DFP. The Department has subsequently come back to BSO with queries. The Director of Operations will meet with Health Estates and Trust Estates on the accommodation issues relating to establishment of shared services centres.

Members noted the position.

10. Corporate Risk and Assurance Report for 2012/2013

The Assistant Director of Customer Care and Performance presented paper BSO 96/2012 which set out amendments to the Corporate Risk Register following a comprehensive review of the Register by SMT during the period September - December 2012. The paper also outlined progress made to date on risk actions.

It was noted that there were two new risks added to the Register:- “Failure to meet the 30 day target for the pharmaceutical payment” and “Risk of environment in Data Centres causing further outages”; both were classified as High.

The Chief Executive advised members that a training and awareness session on Risk Identification and Handling for BSO senior management and non-executives has been arranged for 6 February 2013. The event is being facilitated by CIPFA. The Chief Executive’s office will send details to members.

Members noted the Corporate Risk and Assurance Report for 2012/2013.

11. BSO Business Planning Timetable 2013/2014

The Assistant Director of Customer Care and Performance advised members that the Department issued revised timescales to its Arms Length Bodies (ALBs) for the submission of draft annual Business Plans for 2013/2014. It was noted that previously the BSO did not have to submit its annual draft plan until March. The revised timescales indicate that the draft Plan should be with the Department by mid-January. Members were also advised that the Department has established an ALB Business Planning Group and the Director of Customer Care and Performance has been nominated to sit on the group. It is the Department’s intention to move to a more consistent format for ALB business planning documentation and to issue guidance on this matter.

Members noted the position.

12. Authority and Indemnity – Increase to BACS Limit

The Director of Finance presented paper BSO 98/2012 requesting the Board’s approval to uplift the BSO BACS Limit to £110m on the Salaries Central Account. It was noted that the BACS limit had not been reviewed since 2009. It was agreed that the limit should be reviewed again in December 2013.

Members approved this resolution and the Chairman signed the Mandate form.

13. Revisions to Standing Orders and Standing Financial Instructions (SFIs)

The Director of Finance presented paper BSO 99/2012 which set out amendments to the BSO’s Standing Orders and Standing Financial Instructions. The revisions were endorsed for ratification by the BSO Board with the exception of one issue relating to the authorisation of Single Tender Actions (STAs). He advised that the GAC had requested that an additional check or review mechanism be inserted into the Scheme of Delegation in respect of STAs for contracts managed by BSO PaLS on behalf of HSC bodies, valued between £2,000 and £100,000. The

Committee had also suggested that a periodic post hoc review of all such STAs be considered by SMT as means to strengthen the proposed new arrangement.

The Director of Finance subsequently briefed SMT of the GAC's concerns and proposed that Internal Audit perform a quarterly review of a sample of such STAs. The results of these reviews will be reported, by exception, to the GAC at its programmed meetings. If the Board endorsed this proposal the review process would commence with effect from 1 January 2013 and form part of the rolling GAC work programme indefinitely.

A lengthy discussion ensued regarding this pragmatic solution and it was agreed that BSO pilot this approach for 12 months and report back to the Board on the efficiency and effectiveness of the review mechanism process.

14. **Any Other Business**

(i) ***Correspondence from the DHSSPS:- "Board Governance Self Assessment Tool for all DHSSPS Sponsored Arms Length Bodies"- ALBs***

Members noted with interest correspondence from the Permanent Secretary to Chairs of ALBs regarding the development of a government self- assessment tool for all DHSSPS sponsored ALB Boards. This tool has been developed following the Department's review of its Accountability and Assurance arrangements for all of its ALBs and is focussing on and re-emphasising the role of the Board and non-executive directors of ALBs in matters of performance and governance.

It was agreed that the Board would address this matter in more detail in the New Year. It was recognised that the BSO has a number of FPS statutory committees (Medical, Dental, Pharmaceutical and Ophthalmic) and consideration will have to be taken as to how they would feed into this process.

15. **Date of Next Meeting**

The next meeting of the BSO Board will take place at 2.00 pm on Thursday 31 January 2013 in the Boardroom, BSO HQ, 2 Franklin Street, Belfast.

The Chairman thanked everyone for attending and closed the meeting.

Chair

Chief Executive

Date _____