



Business Services Organisation
Annual Report and Accounts
For the year ended 31 March 2021

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Contents

Section	Page
Section A - PERFORMANCE REPORT	7
Statement from the Chief Executive	8
Additional Support provided during COVID-19	11
Report from Non-Executive Directors	12
Purpose and Activities of the Organisation	17
<u>Performance Analysis</u>	22
How did we perform in 2020/21?	24
Sustainability Report	28
Social & Community Involvement	31
Section B - ACCOUNTABILITY REPORT	33
<u>Corporate Governance Report</u>	34
BSO Board	35
<u>Directors' Reports</u>	37
<i>Chief Executive</i>	38
HSC Clinical Education Centre	39
HSC Leadership Centre	42
HSC Encompass Programme	44
Shared Services	46
<i>Operations Directorate</i>	60
Procurement and Logistics Service	62
Family Practitioner Services	66
Counter Fraud and Probity Services	69
HSC Pensions Service	71

Small Business Research Initiative	74
<i>Customer Care and Performance Directorate</i>	76
Customer Care and Performance	77
Equality Unit	79
The Office for Research Ethics Committees Northern Ireland (ORECNI)	80
Information Technology Services (ITS)	82
Honest Broker Service	92
<i>Finance Directorate</i>	95
Internal Audit	97
<i>Legal Services Directorate</i>	99
<i>Human Resources and Corporate Services</i>	102
<i>Corporate Services</i>	105
Statement of Accounting Officer Responsibilities	108
Governance Statement	110
<u>Remuneration and Staff Report</u>	129
Remuneration Report	130

Contents	
Staff Report	136
<u>Accountability and Audit Report</u>	142
Accountability Report	143
ANNUAL ACCOUNTS FOR YEAR ENDED 31 MARCH 2021	146
Foreword	147
Certificate of the Director of Finance, Chairman and Chief Executive	148
Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	149
Statement of Comprehensive Net Expenditure	154
Statement of Financial Position as at 31 March 2021	155
Statement of Cash flows for the Year Ended 31 March 2021	156
Statement of Changes in Taxpayers Equity	157
Notes to the Accounts	158

Section A

PERFORMANCE REPORT

Statement from the Chief Executive



Karen Bailey

Interim Chief Executive

Welcome to the Annual Report and Accounts 2020/21 of the HSC Business Services Organisation (BSO). In this section of the report I would like to reflect on the past year and to look forward to the next. The past year for many of our organisations across the HSC has continued to be extremely challenging due to the ongoing COVID-19 pandemic. Despite the many challenges BSO has faced, as a provider of professional services to the HSC organisations, I am pleased to report there have also been many successes and substantial innovation in BSO services.

BSO remains committed to supporting our HSC colleagues' right across the system to deal with the extraordinary events which continue to place unprecedented demand on our system. I would like to acknowledge the commitment of my staff during the past year who have continued to be dedicated to delivery right across the system despite the many challenges faced both on a professional and a personal level as we all adjusted to significant changes to our personal and working lives.

This Annual Report for the period 1 April 2020 – 31 March 2021 reflects a strong performance against our business plan objectives on which you will find a detailed report on page 23. We have once again seen many achievements, successes and developments over the course of the past year with BSO staff continuing to strive for innovation and excellence in the delivery of services. Throughout the past year BSO has had to respond to increased demand for existing services as well as requests for new services. The organisation has also contributed significantly to the response across HSC to the COVID-19 pandemic. A range of key contributions from across our services are included on page 11.

Looking ahead and considering the changes to come in relation to the closure of the Health & Social Care Board (HSCB) on 31st March 2022, work has progressed at pace to ensure the necessary arrangements are in place for the closure of the Board. The new model will mean that BSO will become the 'Host Employer' for staff of the HSCB to ensure these staff remain on HSC Terms and Conditions of Employment. It has been a priority for me and the BSO Board to confirm the new

accountability framework for the proposed hosting arrangements. BSO senior staff are participating in the various work-streams to clarify governance issues with the Department of Health and the HSCB in relation to the new model.

All services have returned to 'Business As Usual' having been working in Business Continuity mode during the initial surges of the COVID-19 outbreak. Access to video conferencing has been instrumental in enabling our services to continue to work across the HSC to deliver services and engage with customers.

On 31st December 2020, the UK left the EU and with that significant work was undertaken by BSO to ensure any risk to the supply of essential equipment and medicines was minimised. There remain many challenges in relation to the new arrangements on which BSO will continue to work in partnership to ensure minimal disruption to service provision.

The focus on transformation of the HSC took a different turn during the pandemic as a newly constituted 'Rebuilding HSC Services Programme Board' was established by the Minister of Health. As Chief Executive of the BSO, I have represented the organisation on this forum to ensure essential changes to HSC structures were in place to address the challenges of the pandemic and to design, develop and implement the necessary changes at pace.

During this year, BSO has continued to focus on our growth and development strategy with the aim of broadening the scope and reach of our services to a wider range of organisations across the health sector and beyond. During the coming months, the BSO IT Service will begin delivery of a managed service to provide the Family Practitioner Service to NHS Wales. This is a novel agreement and required agreement from the Permanent Secretary of the Department of Health to proceed.

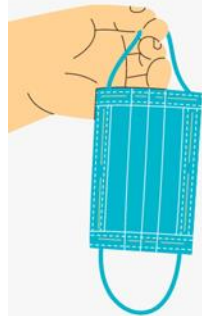
In line with the recommendations of the Public Sector Shared Services Programme, the Chief Digital Information Officer and the Permanent Secretary of the Department of Health continue to reiterate their commitment to ensuring Digital Shared Services progresses. Delivery of this programme is being led by BSO IT Services and represents a significant milestone towards achieving the vision for Digital Shared Services.

Our existing Corporate Strategy 2018/21 which was published in 2018 was extended for one year in September 2020 in agreement with the Department of Health Sponsor Branch due to the pressures being experienced across the HSC in relation to the pandemic and the challenges in developing a new strategy in that context. An Annual Business Plan was developed for the 2021/22 year to outline the BSO objectives and actions for this current year in light of this agreement.

Since 2018, my colleagues have delivered significant progress towards achievement of the BSO Mission “To provide high quality business services which support our customers to improve health and well-being”. Looking ahead to the 2022/23 year, we will have the opportunity to refocus our priorities by developing our new Corporate Strategy. We look forward to engaging with our stakeholders on the priorities for BSO that will see us continue to deliver a first class service to our partners across health and social care.

In the incoming year, I look forward to leading the BSO and continuing our work supporting essential Health and Social Care delivery across Northern Ireland.

Additional Support provided during COVID-19



Procurement & Logistics Service

Sourced and delivered almost **440 million items of core PPE** to HSC, Primary Care and Independent Social Care providers. Increase from **75 million** items in 2019. Included in this were **84.9m facemasks** and **254.9m gloves**. Logistics services operated from the workplace throughout.

HSC Pensions

No disruption to **pension services** or payments to pensioners.

Human Resources

Significant role in the creation of the **Contact Tracing and Vaccination Centres**. Working from Home surveys and policies. Support and guidance for managers and staff on **remote working**.



Clinical Education Centre

Adapted and delivered all CEC education programmes online - attended by **48,000 people** achieved **130% of SLA**. CEC Staff were redeployed across a range of HSC Services supporting the clinical response and currently support the regional vaccination programme.

Leadership Centre

Developed a Webinar series to support staff self-care. **2,700 participants**. Converted programmes to deliver online. **100% increase** in uptake for Senior Leadership Programmes.



Corporate Services

Provided advice and guidance to customers on making premises COVID secure including, signage, facilitating social distancing and keeping staff safe.



FPS

Worked with DoH and HSCB to develop and implement a **financial support scheme** for Dentists and Opticians. Continued to make on-time payments for Pharmacy Contractors with staff in the workplace where necessary.

DLS

Staff redeployed to support other service areas contributing directly to the front line. Legal advice to clients on new leases, licences, contracts with private sector bodies, procurement and enforcement of COVID Regulations.

ITS

Increased remote network access from **400 users** to more than **8000 users** across HSC. Introduced video conferencing facilities for all customer organisations. Enabled access to the NIECR for the Independent Sector.

Shared Services

Over **60,000 requests** for Interpreting Services processed during 2020/21. Delivery of **3 separate pay awards** for HSC staff. Implemented **free car parking** for HSC staff.



Report of the Non-Executive Directors



Ms Julie Erskine
Chair

The Chair and the BSO Board have once again this year put on record their praise and thanks for the effort that BSO staff at every level have given to the current challenges around the COVID-19 outbreak. The unique circumstances faced have meant that we all have had to change the way we live and work on a day-to-day basis. Such unprecedented circumstances can often take time to embed but what the Board has experienced from staff during the past year has been extraordinary.

Staff have continued to strive for excellence and have embraced the necessary new ways of working to ensure that we are continuing to serve our customers across Health and Social Care. The Board has acknowledged the huge efforts made by many individuals and teams to react to demand right across every area of BSO. The dedication and professionalism shown by staff is making a real difference in supporting the wider aims across health and social care.

Strategic Priorities

Throughout this year the Board has continued to oversee delivery of the organisation’s priority areas as set out in our Corporate Plan 2018-2021. The BSO Corporate Plan was approved by the Department of Health in 2018 and sets out our values and objectives over the 3-year period up to 31st March 2021. In light of the circumstances arising from the pandemic, the Department of Health agreed to extend the life of our current Corporate Plan for 1 year until 31 March 2022 to allow space and time to recover across Health and Social Care before we begin the process of developing new plans for the next period.

Throughout this year, progress against achievement of the objectives set out in the Corporate Plan was continuously reviewed, monitored and reported to the BSO Board every quarter with excellent progress across all areas demonstrated. These achievements are welcomed especially as the organisation faced significant pressures in addition to COVID-19 such as the ongoing challenges arising from the UK Exit from the EU.

The BSO Corporate Objectives will continue to be the focus of our work during the final year of our extended Corporate Plan. Our core objectives are:

- **Deliver High Quality, Valued Services;**
- **Develop Our Services in Partnership with Our Customers;**
- **Demonstrate Continuous Improvement in Pursuit of Excellence; and**
- **Help Our People Excel at What We Do.**

Board Engagement

The Board has endeavoured to maintain its engagement with staff and key stakeholders throughout the year through a series of meetings and presentations which were conducted via video conferencing in light of remote working and social distancing restrictions.

It was important to the Board to continue to engage as far as possible with staff and partners despite the many challenges. The Chair attended staff engagement events in PALs, Clinical Education Centre and with the HR & Corporate Services Teams during September 2020 to hear from staff about their involvement in supporting the HSC through the pandemic and their experiences of the new ways of working. The Chair acknowledged and reported back to the Board on the dedication and diligence of staff working through these difficult times.

In the early stages of the pandemic the Chair attended regular meetings with NICON which included the Chairs of all HSC Organisations. This was important to ensure a joined up approach to the work of all Boards across HSC. This engagement has continued throughout the year.

In October 2020, Mr Alasdair Kilpatrick from Deloitte made a presentation to the Board on the preferred option for the HSC Digital Business Case which involves the creation of a new Directorate of Digital Shared Services within BSO. This transition will require a phased transfer for services, staff and funding, driven by regional programmes and business need and supports the continued focus by the Board on BSO Growth.

In January 2021 the Board received a presentation from the Head of Recruitment Shared Services detailing new developments in the Recruitment Shared Services Centre during 2020.

The Head of HSC Pensions Service presented to the Board in January 2021 on the review of the Public Sector Pension Schemes which commenced in 2015 and is nearing implementation stage. In February 2021 the Board received a presentation from the Equality Co-Ordinator on how BSO support its staff with Disabilities via the Disability Placement Scheme and the Tapestry Network. Members were briefed on the aim of Tapestry and the key actions for 2020/21 and the benefits of the Disability Placement Scheme.

In March 2021 the Head of ITS Infrastructure presented to the Board on the HSC End User Technical Enablement Project (TEP). This Project aims to update software licensing agreements, ensure all devices are operating with the most up to date MS Office support packages and replace 72,000 devices across the HSC by 2024.

At the March 2021 Board meeting, members also engaged with the Assistant Director of ITS on the importance of ensuring robust cyber security controls across the HSC to protect our information and systems.

Board roles, responsibilities and moves during 2020/21

The Board of the BSO is made up of a combination of Directors, Executive Directors and Non-Executive Directors. The Board is chaired by Mrs Julie Erskine. A full outline of the BSO Board is included at Section B in the Accountability Report.

During the reporting year positions were held by Board Members as follows:

- Mr Robert Bannon Chaired the Business and Development Committee.
- Mr Jeremy Stewart Chaired the Governance & Audit Committee until his resignation in November 2020. At this point Mr Sean McKeever took over the role as Chair of the Governance & Audit Committee.
- Mrs Julie Erskine Chaired the Remuneration & Terms of Service Committee.

- Professor Dorothy Whittington continued in her role as the Board's Disability Champion.
- Mr Jeremy Stewart continued as the Whistle Blowing Champion until his resignation in November 2020 at which time Mr Mark Campbell took over this role.

During the period of this report, our Chief Executive retired from his post.

- Mr Liam Mclvor, Chief Executive retired in September 2020. Mr Mclvor was replaced on an interim basis by Mrs Karen Bailey.
- Mrs Karen Bailey, Director of Customer Care & Performance took up her post as Interim Chief Executive in June 2020.
- Mr Mark Bradley replaced Mrs Bailey in her post as Interim Director of Customer Care & Performance in October 2020.
- Mrs June Turkington was Acting Chief Legal Adviser from 1st April 2020 to 17th July 2020.

One of our Executive Directors left the organisation to take up a new role during this reporting period.

- Mr Sam Waide, Director of Operations left in September 2020. Mr Waide was replaced on an interim basis by Mr Peter Wilson in September 2020.

The Health Minister, Mr Robin Swann, MLA reappointed the Non-Executive Chair and four Non-Executive Lay Members to the Business Services Organisation (BSO) in December 2020.

- Mrs Julie Erskine has been reappointed as Non-Executive Chair from 1 December 2020 to 30 November 2024

The Non-Executive Lay Members reappointed are as follows:

- Mr Robert Bannon and Professor Dorothy Whittington from 1 December 2020 to 30 November 2024;

- Miss Patricia Gordon from 12 December 2020 to 11 December 2024; and
- Mr Mark Campbell from 9 January 2021 to 8 January 2025.

These appointments were made in accordance with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland.

Looking ahead to 2021/22

As the period for developing our new current Corporate Plan approaches, the Board looks forward during the coming year to the opportunity to engage with BSO staff and our partners across the HSC to develop the new Plan.

Purpose and Activities of the Organisation

The Business Services Organisation (BSO) was established on 1 April 2009 under the Health and Social Care (Reform) Act (NI) 2009 as part of the second phase of the Review of Public Administration (RPA). The BSO was created to deliver a range of business and specialist professional support services to Health and Social Care (HSC) organisations across Northern Ireland.

Services are provided to 11 Arm's Length Bodies of the Department of Health as well as to the 6 HSC Trusts. BSO delivers services in a number of key areas including Procurement & Logistics, Information Technology Support, Legal, Internal Audit, Corporate Services, Human Resources, Counter Fraud & Probity, Family Practitioner Services, Equality, Research, Finance, Pensions, Training and Performance. A Shared Services Centre also operates from various locations across Northern Ireland. Reports on the full range of services delivered are included within Section B of this Annual Report.

The Headquarters of the BSO is based at 2 Franklin Street, Belfast. We also deliver services from a number of satellite offices located throughout Northern Ireland.

BSO AT A GLANCE 2020/21



£1.757m

Legal Debt Recovery



60,550

Interpreting Service requests processed



50%

Of priority staff have joined the Encompass team



10,000

ITS calls closed since the beginning of lockdown



400m+

Items of Core PPE delivered



222

International nurses welcomed to HSCNI



800+

Pension consultations for HSC scheme members



48,000

Attended CEC training events in 2020/21



£393m

Income Debt Recovery

Corporate Mission, Values and Objectives

Our Mission:

“To provide high quality business services which support our customers to improve health and well-being.”

Strategic Objectives and Values 2018/22

In order to help us fulfil our Mission, our Corporate Objectives for the three year period 2018/22 are to:

- (i) Deliver High Quality, Valued Services
- (ii) Develop Our Services in Partnership with Our Customers
- (iii) Demonstrate Continuous Improvement in Pursuit of Excellence
- (iv) Help Our People Excel At What We Do.

Our Values will be aligned our Corporate Objectives to ensure that we deliver to our Mission and will be the focus of everything we do:

- Working Together
- Excellence
- Compassion
- Openness & Honesty

The BSO Strategy for 2018/22 is diagrammatically represented overleaf.



CORPORATE MISSION, VALUES & OBJECTIVES 2018-21

"to provide high quality business services which support our customers to improve health and well being"



We Aim To ...

Corporate Response

By 2021, we will ...



Delivering Together: Health and Wellbeing 2026 and the Programme for Government

Strategic Issues and Risks

Risk Management within BSO is recognised as an integral part of good governance and management practice. As an Arm's Length Body of the Department of Health, the BSO takes its lead from wider strategic vision and goals of the Department. BSO is conscious of the strategic context within which it operates within the wider Health and Social Care system (HSC), and aims to support the over-arching Programme for Government and the wider Public Health agendas through a framework of good governance.

A number of specific risks were identified during 2020/21 which affected our operations, namely the COVID-19 pandemic which required the organisation to transition a number of our operations to Business Continuity mode. The majority of services were able to move back to a Business as Usual position following the initial impact of the pandemic. Other risks include the challenges around the delivery of programmes such as the encompass programme and services to our customers for example, Payroll where there is a risk related to a limited assurance audit. All risks are managed in line with the BSO Risk Management Strategy and Procedures to ensure minimal impact on our customers and the delivery of our strategic objectives. A number of the key challenges faced by the BSO during this time are outlined in the Chief Executive's Statement.

Risk Management is an organisation-wide responsibility. In the BSO, there are two key levels at which the risk management process is formally documented i.e. at corporate level through the BSO Corporate Risk and Assurance Report and at Service level through Service Risk Registers. The BSO receives much of its assurance through its Corporate Risk and Assurance Report within which risks to the achievement of Strategic Objectives are outlined along with existing controls and assurances, gaps in controls and assurances and an outline of necessary actions required to control these gaps. Progress on risk actions and changes to the risk profile were monitored monthly by the BSO Senior Management Team, quarterly by the Governance and Audit Committee (GAC) and biannually by BSO Board throughout 2020/21.

The BSO risk control framework is supported by a Risk Management Strategy which is in line with the agreed HSC Regional Risk Approach and based on the principles of ISO 31000: 2018. The strategy was reviewed during 2020 and a number of amendments were made to ensure it remains up to date. Further detail concerning Risk Management processes, issues and challenges to BSO in 2020/21 and anticipated future issues is contained in the Governance Statement section of this document.

PERFORMANCE ANALYSIS

Performance Analysis 2020/21

The current BSO Corporate Strategy covers the four year period from 2018/22 and includes our Strategic Objectives, Mission and Values.

During 2020 we had planned to develop our next Corporate Plan collaboratively with our staff, the Department of Health and a range of key stakeholders. Due to the COVID-19 pandemic this was not possible and as such the Department of Health agreed to extend the life of the current plan for one additional year, until 31st March 2022 and continues to support the wider aims of the HSC. As an organisation, it is our aspiration to grow our services to an even wider range of customers across the public sector, building on our reputation for delivering quality, excellence and value for money.

The BSO set a wide range of challenging priorities and targets in 2020/21. These were aligned with our strategic Corporate Objectives and incorporated into our Annual Business Plan with appropriate key actions set against them. The strategic aims of the BSO are centred on the standard of services provided to our customers, coherently summarised through our mission statement: 'To provide high quality business services which support our customers to improve health and wellbeing'. 85% of our stated objectives were achieved within the timescales. The remainder have been impacted by the COVID-19 pandemic but have never the less made good progress and will carry into the new financial year with a target to achieve during 2021/22.

Our Corporate Plan is aligned to the aims outlined in the various Department of Health strategies including:

- The vision set out in 'Delivering Together: Health and Wellbeing 2026'
- 'Making Life Better' public health framework 2012-23
- The draft 'Programme for Government Framework 2016-21'

We use a wide range of planning, monitoring and reporting mechanisms to measure and report on performance across the organisation. The ensuing paragraphs provide a collective summary of our achievements against the Strategic Objectives throughout the year, including performance against those priorities and targets.

How did we perform in 2020/21?

Corporate Objective 1: Deliver high quality, valued services		
Key Priorities/Targets	Key Actions	R/A/G rated performance
1. Ensure HSCNI customers are facilitated to complete their Five-Year Review of Equality Schemes within Equality Commission timescales.	Agree project plan with BSO SMT and clients by 31 December 2020.	By September 2020 , we agreed a project plan with our customers in relation to completion of the Five Year Review of Equality Schemes in line with the Northern Ireland Equality Commission timescales.
	Facilitate substantial progress on data collection self-assessment by BSO and clients including through one – to – one interviews and focus groups at forum meetings by 31 March 2021.	By March 2021 we facilitated substantial progress on data collection self-assessment with our clients. Actual data collection will continue throughout 2021/22.
2. To further develop the BSO Pension Service in line with pension reform and legislative changes.	Update new Pensions website with relevant Career Average Revalued Earnings (CARE) electronic downloadable content by 30 September 2020.	By September 2020 , we updated the new HSC Pensions website with downloadable content to include information relating to Career Average Revalued Earnings (CARE).
	Implementation plan in place to deliver changes to the pension scheme further to the Annual Allowance charges and impact of McCloud IT case by 31 December 2020.	By September 2020 , automation of pension calculations was implemented within the HSC Pensions Service. This ensured compliance with regulatory requirements in relation to pension schemes.

<p>3. Continue to expand the international recruitment service to HSC supporting the recruitment of international nurses and doctors to support Trust resourcing requirements.</p>	<p>Develop an Outline Business Case with the Department of Health on behalf of HSC employers to secure funding for international recruitment¹ over the next 3 years</p>	<p>By March 2021 we developed an addendum to the current Business Case for additional funding to bridge the gap until the new Business Case is written. We expect to have the funding in place by July 2021.</p>
	<p>Participate in Steering Group, Task & Finish Groups and CAG² for international recruitment up to and beyond 31 March 2021.</p>	<p>By March 2021 we participated in Steering Groups, Task and Finish Groups and CAG. CAG activity is ongoing and will be active until the new international recruitment framework goes live by July 2021.</p>
<p>4. Implement plans to replace existing Finance Procurement, Logistics (FPL) and Human Resource, Payroll and Travel (HRPTS) systems.</p>	<p>Commence Outline Business Case activities for Systems Replacement Programme in by 31st Jan 2021</p>	<p>By November 2020 the Outline Business Case was approved and OBC activity commenced. It is expected that OBC activity will last until April 2022.</p>
	<p>Obtain DoH approval to two business case requests to extend existing FPL and HRPTS systems to 2026 on or before 31st March 2021.</p>	<p>By March 2021 approval was received to extend the FPL and HRPTS systems for the next five years.</p>
<p>5. Under the guidance of the Encompass Programme SRO and the Encompass Programme Board, put in place organisation structures to deliver the programme aims.</p>	<p>70% of core recruitment for the Encompass Programme by 31st March 2021.</p>	<p>By March 2021 50% of core recruitment was completed. Due to delays and lower than anticipated successful candidates the full target has not been achieved. Further recruitment activities are underway with 70% of core posts to be completed by the end of June 2021.</p>

¹ Numbers and scope of professions to be included in the business case will be informed by the Task & Finish Group recommendations.

² Contract Adjudication Group (a group established by Procurement & Logistics for the selection of suppliers to assist in the recruitment of overseas nurses).

	Programme Board and essential governance structure established and aligned to key decision points by 31 st March 2021	By March 2021 , top level governance structures were established but completion of key clinical groups was delayed due to COVID-19. Essential governance structures will now be established by the end of July 2021
	Technical governance structures in place to underpin key scoping and decision making activities by 31 st Mach 2021.	By March 2021 , the Encompass Infrastructure Management Board and CAG was established.

In addition to the priorities and targets set out in our Corporate and Annual Business Plans, BSO has also agreed a wide range of Key Performance Indicators to manage the performance of Service Level Agreements with our customers and the BSO Board. We report performance against those targets using the Balanced Scorecard approach on a monthly basis. A selection of some of our key indicators are set out overleaf:

Key Performance Indicator	Target	Performance Results for 2020/21
Average processing time per non-stock requisition (Procurement and Logistics Service)	5 days	2.8 days
% of products supplied on 1 st request (Procurement and Logistics Service)	95%	97.9%
% of IT incidents resolved within target	90%	95.3%
% of Invoices paid within 10 days	70%	93.9%
% of Invoices paid within 30 days	95%	95.1%
Absence Rate	4.27 days	3.2 days
General Recruitment – Overall Time to Fill (HSC-wide)	85%	81.5%
% of Complaints, Data Protection and Freedom of Information requests resolved within timeframe	100%	79.75%

Public Sector Payment Policy - Measure of Compliance

The Department requires that BSO pay their non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The BSO's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2021 Number	2021 Value £000s	2020 Number	2020 Value £000s
Total bills paid	141,358	461,014	265,376	147,429
Total bills paid within 30 day target	138,350	438,919	262,307	135,289
% of bills paid within 30 day target	98%	95%	99%	92%
Total bills paid within 10 day target	133,269	398,478	257,060	110,722
% of bills paid within 10 day target	94%	86%	97%	75%

Sustainability Report

COVID-19 has had an unintended and rather dramatic sustainability impact globally as well as on our own organisation insofar as this pandemic is amongst “disasters” in that it attacked the entire world at the same time.

In 1987, the United Nations Brundtland Commission defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” Today, there are almost 140 developing countries in the world seeking ways of meeting their development needs, but with the increasing threat of climate change, concrete efforts must be made to ensure development today does not negatively affect future generations (United Nations Academic Impact 1987)

This was recognised in the “New decade New Approach” document wherein they stated:

“The parties recognise the need for a coordinated and strategic approach to the challenge of climate change within the Programme for Government. Actions and interventions will be required across a wide range of areas in order to address both the immediate and longer term impacts of climate change in a fair and just way.” To this end:

- The Executive’s strategies to reduce carbon emissions will be reviewed in light of the Paris Climate Change Accord and the climate crisis.
- A new Energy Strategy will set ambitious targets and actions for a fair and just transition to a zero carbon society.
- The Executive should bring forward a Climate Change Act to give environmental targets a strong legal underpinning.
- The Executive will establish an Independent Environmental Protection Agency to oversee this work and ensure targets are met.
- The Economic Strategy will support clean and inclusive growth and create

jobs as part of a Green New Deal.

- The Executive will create a plan to eliminate plastic pollution.
- RHI will be closed down and replaced by a scheme that effectively cuts carbon emissions.

Remote working and virtual meetings have shown that we as BSO can drastically reduce the need for travel resulting in a very significant reduction in travel claims throughout the organisation, although it must be recognised that some service areas will still be required to travel as part of their operational effectiveness; With the collective input from organisations such as our own, this not only has a monetary impact but also environmental. There has been an unprecedented reduction in local and global travel with some cities seeing a reduction in nitrogen dioxide levels by almost 60% in the early parts of the outbreak. However, the reality is that there are significantly more cars on the road in Northern Ireland now in March 2021 than in the early part of the pandemic as people are becoming “Covid Weary”

Whilst we as an organisation and the wider public have always given attention to sustainability, we have been inadvertently forced to address even more issues as part of the wider drive to attain a “normalised” society and many incentives have taken a “back burner” because the priority was to address the impact on this virus. As we will all no doubt have seen, disposable face masks/coverings now litter our streets, car parks, footpaths, the sea and in general cannot be recycled; we as an organisation took the decision with advice from the Infection Prevention Control Team in Belfast Trust to purchase reusable face masks and made these available to all staff, other Arm’s Length Bodies and contractors alike. This action was taken to directly combat the tendency to suspend the transition to reusable products due to the epidemiological danger.

This is not just a local issue for BSO as an organisation, but also for our colleagues in the Procurement & Logistics Service who source PPE for Health & Social Care within Northern Ireland. The Director General of the World Health Organisation estimated that each month, 89 million medical masks, 76 million gloves and 1.6 million goggles, are required internationally to address the COVID-19 crisis, and called for manufacturing of these to increase globally by 40%.

In addition, some of the most critical elements appear to be:

- Nylon-Plastic Swabs used for Testing Kits
- Plastic Vials used for Testing Kits
- Surgical Gloves

- Surgical Masks
- Chemical reagents needed for the tests
- Pharmaceutical production for any drugs or vaccines that are eventually developed
- Hand-sanitisers and personal cleaning products (Forbes.com “Coronavirus Shines Light on Sustainability ” 2020)

Many of these elements currently use single-use plastics or have some sort of sustainability challenge. Without doubt, the immediate focus should (and is) on meeting the current and future needs. Indeed, many ground-breaking approaches are being used during this emergency in the very short term.

As people everywhere focus on washing their hands and maintaining social distancing, we have become more attuned to our own health and wellbeing; at the same time, COVID-19 has made BSO more aware of the need to promote health and wellbeing amongst staff.

Collectively as an organisation BSO has demonstrated how we can control the escalation of events by limiting the actions of our staff by staying at home to save those with a higher risk of infection yet still being operationally effective.

By maintaining social distancing, washing our hands, and working from home (albeit this may move to a blended approach) BSO is contributing to the collective action of the nation. One thing that this pandemic has demonstrated is that BSO staff are ready to put aside individual priorities for the greater good and to contribute to the collective welfare of the population by supporting Health & Social Care in Northern Ireland.

Social & Community Involvement



On Friday 11th September, FPS, Information Unit Staff completed the Belfast City Virtual Marathon. Well done to Martin Mayock, Alan Harbinson, Elaine Kane, Alison Afrifa, and Amy Dalgish; Team **“Not so Fast, Not so Furious”** raising just over £1000 for Huntington’s Disease Association NI.

Two Relay Teams from the HSC Leadership Centre also completed the Virtual Marathon, raising £500 for the Kevin Bell repatriation charity.



David Charles from Internal Audit had planned to undertake 10 big cycle challengers to raise awareness and funds for Sands NI. Due to COVID-19 every single one of the organised cycle rides got cancelled. So in August 2020 he decided to do his own laps. First one up was huge 99.8 mile lap of Lough Neagh and the second lap was a 40 mile cycle around Co. Antrim in late October.



With further COVID-19 restrictions coming into place at Christmas time, the team in PaLS Gransha decided to try and make something good come from cancelled plans. A collection of the money which would've paid for the annual staff Christmas Lunch was donated to two local charities: £245 was split between 'The Salvation Army' and 'Foyle Foodbank'.

Chief Executive

Karen Bailey

Date 24 June 20

Section B

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

BSO Board

Chair

Ms Julie Erskine

Chief Executive (Interim)

Mrs Karen Bailey

Non-Executive Directors

Mr Robert Bannon

Mr Mark Campbell

Ms Patricia Gordon

Mr Sean McKeever

Prof. Dorothy Whittington

Executive Directors

Ms Paula Smyth, Director of Human Resources & Corporate Services appointed March 2020

Ms Karen Bryson, Director of Finance appointed January 2020

Mr Peter Wilson, Director of Operations (Interim) appointed September 2020

Directors

Mr Mark Bradley, Interim Director of Customer Care & Performance appointed October 2020

Mr Alphy Maginness, Chief Legal Advisor

Register of Interests

The BSO holds a Register of Directors' Interests which contains the declared interests of both Executive and Non-Executive Directors, including company directorships. This is available to view at:

Chair and Chief Executive's Office

Business Services Organisation

2 Franklin Street

BELFAST

BT2 8DQ (Telephone: 028 9536 3863)

Committees of the BSO Board

The BSO Board has established 3 Committees to assist in carrying out its duties, namely the Remuneration and Terms of Service Committee, the Governance and Audit Committee and the Business and Development Committee. Further details regarding the Committees can be found in the Governance Statement at the conclusion of this Accountability Report.

Audit and Assurance

The BSO's external auditor is the Northern Ireland Audit Office who have appointed PricewaterhouseCoopers LLP (PwC) to carry out the detailed audit work to support the Comptroller and Auditor General's opinion. The financial statements include a non-cash charge of £132k in respect of preparation of the shared service report and the statutory audit of the 2020/21 Accounts.

All Directors have confirmed that, to the best of their knowledge:

- There is no relevant audit information of which the BSO's auditors are unaware;
- They have taken steps as Directors in order to make themselves aware of any relevant audit information and to ensure that auditors are aware of that information;
- The Chief Executive and relevant committees have confirmed that the BSO's auditors have been made aware of any relevant audit information.

A Governance Statement is included later in this Annual Report and is also available on request from the Director of Finance and on the BSO website (www.hscbusiness.hscni.net).

DIRECTORS' REPORTS

Chief Executive

The Chief Executive is the Accounting Officer of the Business Services Organisation. Further detail on the range of responsibilities of the Chief Executive is set out in the Governance Statement later in this report.

In addition to the Organisation's Directors, a number of other Senior Officers report directly to the Chief Executive. These include:

- Head of the HSC Clinical Education Centre,
- Head of the HSC Leadership Centre,
- Encompass Programme Director, and
- Head of Shared Services.

Together with the Directors of the organisation, these Senior Officers attend meetings of the Senior Management Team on a monthly basis.

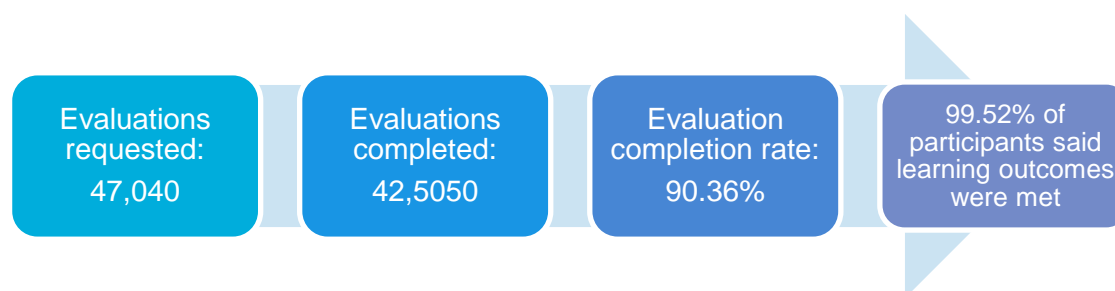
An overview of each of these services key achievements is included in the following sections.

HSC Clinical Education Centre

The HSC Clinical Education Centre (CEC) provides in-service education for Nurses, Midwives and Allied Health Professionals across all HSC Trusts in Northern Ireland. The CEC also provides education and training on a consultancy basis to voluntary and independent sector organisations.

Key Developments and Achievements in 2020/21

Despite the challenges of COVID-19, CEC continued to exceed their Service Level Agreements during 2020/21 whilst moving to an almost wholly remote delivery model. Approximately 48,000 people attended a CEC programme during the year. Between 1 April 2020 and 1 March 2021 47,040 evaluation requests were sent to programme participants. From this the following was noted:



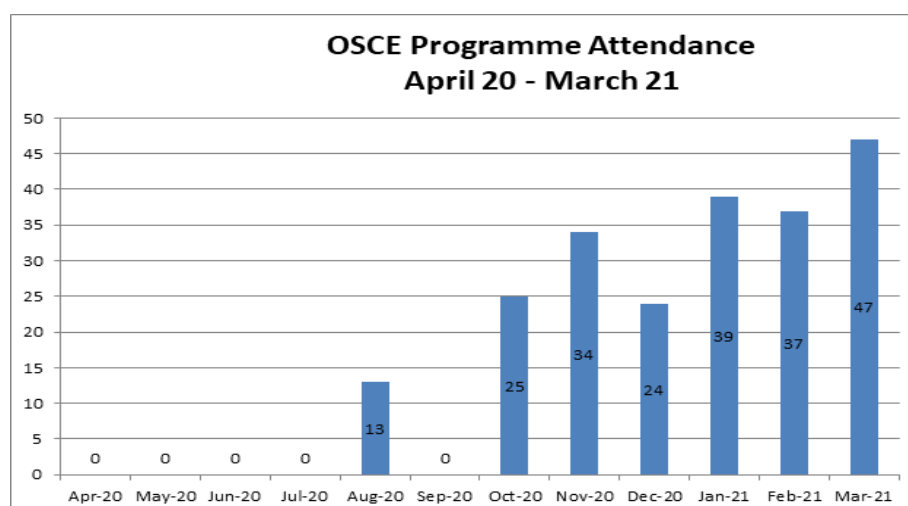
COVID-19 Response

CEC staff contributed to the COVID-19 response in the following ways:

- Adapted, developed and delivered online education
- CEC programmes were opened up to all health and social care staff across the region (including Care Home sector)
- Released staff to the COVID-19 Helpline
- Developed COVID-19 and vaccinator-specific programmes
- Provided training to Test Centre staff
- Supported swab testing in nursing homes
- Redeployed staff to PHA Contact Tracing
- Hosted a series of AHP webinars in collaboration with the PHA and the HSC Regional Trauma Network
- Redeployed a number of staff to Trust area.
- Redeployed a number of staff to the regional vaccine delivery programme.
- Reviewed and developed in-house digital capabilities.

International Nursing

The CEC continue to support international nurse recruitment by delivering the International Nurse Induction Programme and the OSCE Preparation Programme. These programmes support the newly recruited International Nurses to meet NMC Registration requirements. As at February 2021, a 100% pass rate was achieved with numbers increasingly significantly.



Nursing and Midwifery Stakeholder Event

A Stakeholder event was held remotely on the 15th September 2020 with almost 100 participants. This includes CEC staff and representatives from a range of specialties in the 5 HSC Trusts. As a result of the impact of COVID-19, key discussions centred on future delivery of education and the 2021/22 Education Delivery Plan.

Allied Health Profession (AHP) Stakeholder Event

An AHP Stakeholder event was held in December 2020. The event reflected on the changing model of AHP professional development education and scoped the potential future teaching methodologies with a focus of future programme development. It was a very well attended event with both clinical and leadership representation from the nine HSC employed AHP professions and from all Trusts.

Looking Ahead to 2021/22

Throughout 21/22 CEC will continue to:

- Offer a range of options for education delivery to include eLearning, virtual and face to face.
- Develop digital capabilities (e.g. Page Tiger, eLearning)
- Review the Nursing and Midwifery Service Level Agreement and processes for recording activity
- Develop HSC network of AHP educators to support both profession specific education development and multi professional education programmes.

HSC Leadership Centre

The HSC Leadership Centre (formerly the Beeches) was established in 1993 to provide a range of management and organisational support to health and social care organisations. The Centre offers a range of innovative, high, quality and cost effective products and services to HSC organisations divided into three product areas:

- Consultancy- bespoke support to meet client needs
- Brochure programmes- Leadership and management development and programmes
- Digital Consultancy- our consultants offer a wide range of programmes from basic IT skills through to the development of innovative IT solutions to support transformation and change

Key Developments and Achievements in 2020/21

- When the HSC Leadership Centre activated its Business Continuity Plan on 23 March, and the directive had been issued from the Department of Health that all education and training should be stood down for 3 months, we considered how best we could serve the system and our HSC Workforce.
- We developed a Webinar series open to all and based it upon the PHA's Take Five strategic aim. The series was designed to support staff with 30-minute webinar sessions on 5 key topics involving self-care and the importance of engaging with your team whilst working from home. Our Consultant team delivered the webinars morning, afternoon and evenings on Mondays, Wednesdays and Fridays. These proved to be very much welcomed with over 2,700 participants and positive feedback coming in, not only locally, but from the Orkneys, NHS Scotland, NHS Birmingham and Australia
- In March 2020, the Leadership Centre launched '20min Care and Support Space' sessions available to all staff levels across the system. The purpose of this initiative was to provide a focused 20minute safe space for staff in the system to be supported through a guided coaching conversation that was designed to be brief enough for staff to positively engage during the COVID-19 pandemic. These continue to be needed by Trust staff and have also been taken up by the NI Hospice.
- The Centre also spent time during the first lockdown, when activity was low, converting our programmes to a virtual environment. Our new virtual offer has seen the registration numbers increase by over 100% on our Senior Leadership Programmes- Acumen,

Proteus and Aspire and on our PG Diploma programme which is accredited by Ulster University.

- We have also designed a range of new products, also being offered virtually- SAI Panel and Chair training, Advanced Coaching Programme accredited by ICT, a new Middle Management programme, Coaching supervision, the first SAS doctor development programme and a much-needed Classroom to Virtual training programme, which has been in high demand across our clients.

Looking Ahead to 2021/22

- Collaboration with OD leads across the system to align our work with the needs of the workforce after emerging from the unprecedented pressures and impact of COVID-19.
- Continuation and development of our virtual offer
- Development of a new co-designed Strategic Plan 2022-2025
- Rebuild our Digital Consultancy business following the loss of all staff to the Encompass Programme.

Planned Work

- Development of a robust succession planning framework aimed at Tiers 3 & 4 in organisations
- Implementation of a new Learning Management System for the HSC
- Work in collaboration with clients to develop products to support the workforce in the recovery phase and new build/rebuild of services

HSC Encompass Programme

Encompass is a HSC-wide programme, working to deliver the digitally enabled transformation of Health and Social Care in Northern Ireland. The encompass vision is for a digital care record for every citizen in Northern Ireland that better informs and supports their health and wellbeing throughout their life.

Encompass will work in partnership with the preferred supplier, EPIC and HSC to collaboratively design a digital record that streamlines services and patient journeys and links information across primary, secondary, community and social care. Important patient safety features like electronic prescribing will be incorporated in the new system as well as giving the public a choice of more modern ways to interact with services via their own portal.

Encompass is planning for the system to go live in Spring 2023, starting in the South Eastern HSC Trust before rolling out to Belfast and the remaining Trusts by early 2025.

Key Developments and Achievements in 2020/21

The focus of the last year has been in finalising the encompass Business Case and supplier selection processes and in carrying out key pre-work activities to establish the structures, systems, processes and workforce that are necessary to give encompass a solid foundation.

- In May 2020, Epic was awarded the contract to partner with encompass and HSCNI to develop the new system. Epic are a global leader in the delivery of electronic health records with over 250 million patients having an electronic record in their solution worldwide
- Throughout the year, recruitment exercises have continued across a range of roles such as Workflow Analysts, Principal Trainers and Technical roles and over 50% of priority staff have now joined the team. Activities to complete recruitment have continued throughout February and March with a view to having 100% of priority staff in post by end June 2021
- Epic certification training has commenced across key roles, with over 200 training sessions completed by the team in February. Training for current staff will finish up in March, with staff completing the necessary projects and exams to attain certification and

enable work to commence on the build of the regional solution and the creation of tailored training systems and processes.

- In conjunction with Epic and the wider HSC, work has commenced on the review of current HSCNI processes and pathways, providing a better understanding of how things work today and supporting discussions on how things need to be in the future.
- Work has also commenced on the establishment of the necessary assurance, decision and content design structures, populated by HSCNI Subject Matter Experts. These resources will work alongside encompass, existing care and business support groups and networks, the encompass Care Executive and Epic to ensure that the solution developed meets the needs of HSC and service users.
- Activities have commenced for the procurement of the encompass infrastructure in preparation for the system configuration phase later in 2021.

Looking Ahead to 2021/22

In the coming year, encompass will complete the foundational activities in relation to structures, workforce and Infrastructure and will move into the next phase of work. This next phase, known as Workflow Walkthrough and Configuration, will see the delivery of the Epic UK foundation system and the commencement of integrated workflow presentations, application-specific design sessions, tailoring of the solution and design of the necessary training curriculum.

Engagement and collaboration will be a primary goal of encompass to ensure that the needs of HSCNI and the wider NI population are met and that the solution integrates seamlessly with other major initiatives that are underway.

Shared Services

BSO Shared Services provides defined corporate services to all HSC organisations for:

- Accounts Payable (Payments Shared Services);
- Accounts Receivable (Income Shared Services);
- Payroll, Travel and Subsistence;
- Recruitment and Selection.

In addition to the above specialist shared services centres, BSO Shared Services also provides common system and data administration operations for the Finance Procurement and Logistics (FPL) and the HR Payroll Travel and Subsistence (HRPTS) systems.

A range of our key achievements are outlined in the following sections.

Business Services Team

Key Developments and Achievements in 2020/21

Systems Administration	Interface Management	Data Maintenance	Service Improvement	Solution Design
<ul style="list-style-type: none"> •FPL & associated applications •eRecruitment •Regional Interpreting Services •SharePoint •Year End Co-ordination 	<ul style="list-style-type: none"> •Payroll Interface •JAC Interface •Capita Interface •Saffron Interface •Scanning Interface 	<ul style="list-style-type: none"> •FPL Supplier File •HRPTS Master Coding •FPL Master Coding •Facilitation of regional groups 	<ul style="list-style-type: none"> •HRPTS Functional Specialism •FPL Functional Specialism •Change Management •Customer Reporting 	<ul style="list-style-type: none"> •Smart Solutions •Bot development •RPA •Innovation •Automation

Activities Completed:
99,602

Business Services Team Achievements 2020 - 21



Smart Solutions



PaLS PPE Reporting



Recruitment Managers Dashboard



SAP PI Upgrade



National Fraud Initiative



RPA and BOT Development

BST continues the journey of driving to deliver continuous improvement to services provided to our Health Trust partners. Team BST developed capability to build smart solutions based on efficient process optimisation underpinned by Automation technology using software packages which are readily available. This approach was successfully implemented across a number of automation of FPL Business as Usual (BAU) projects; for example, automation of Master Data Processing and Management.

These Robotic Process Automations (RPAs) have increased efficiency, effectiveness and enhanced delivery of services within agreed SLAs. BST continues to review BAU business

processes to scope out further opportunities to exploit the use of automation and further increase efficiencies.

BST used existing technology to develop a smart solution for Health Trust partners in the Northern Trust to automate their Staff in Post (SIP) reporting. The SIP reporting solution has increased audit compliance in addition to streamlining the process and significantly reducing manual input time. It is anticipated that the SIP solution will be completed in the first quarter of the new financial year.

Supporting the HSC recruitment, to ensure right resources are available on time, BST developed e-Recruitment Dashboard; an approach to assist HSCNI recruitment managers to monitor the progress and meet the governance compliance. This has benefited HSC to manage and expedite recruitment processes.

BST developed Delivery of Capital and Revenue system enhancement projects worth £220k to improve the system performance of HSC Finance & Procurement system and HR system.

Looking Ahead to 2021/22

Transition: BST will support BSTPs planning to migrate to new systems.

BST will provide required support to BSTP to ensure;

- Timely transition;
- Smooth migration of data;
- Any Change Management support required including raising of Change Requests.

Smart Solutions: These are the innovative bespoke solutions built to deliver transformational change without causing any adverse impact to business processes. Smart solutions are designed to provide;

- Improved efficiency and accuracy;
- Makes communication easy between different users at separate geographical locations;
- Eliminate manual intervention, if necessary;
- Facilitates the prioritisation of preventive actions;
- Alleviate user from mundane tasks and assist them with enhanced risk monitoring, control and quality assurance; and
- Supports the achievement of 100% compliance

Key priorities will include:

- Development of smart solutions for regional and Trust stakeholders to continue.
- Continue to develop capability within BSO to design and implement Bots across BAU activities within HSCNI to further increase efficiencies, in support of the BSO Process Improvement Strategy.
- To continue to work with Trust regional teams to prepare for the next BSTP transformation project along with the BAU.

Income Shared Services

Key Developments and Achievements in 2020/21

- Achieved Re-Accreditation following mid-term review on CICM Quality Assessment, demonstrating continuous improvement in the following areas:
 1. Service Performance
 2. Customer Service
 3. Developing Our People
 4. Credit Policy
 5. Compliance
 6. Stakeholder Management
- Partial roll out, migration and implementation of Direct Debit functionality
- A continued downward trend in Days Sales Outstanding, demonstrating an ever faster recovery of public funds and creating a positive impact on HSC cash flow despite the challenges of COVID-19
- A continued focus on all HSCNI Intercompany invoices being processed using cloud coding
- Recovered £393m Debt
- 90% of team professionally qualified in CICM Credit Management
- Cash Allocation/Robotics business case approved
- Making Tax Digital –
 - Single tender action award to third party
 - Preliminary implementation of intrastat reporting
 - Preliminary implementation of VAT100 form process

- Successful implementation of Trade Shift Portal with NHS England & Wales on Cross Border
- Successful implementation of Automated TouchTone 24/7 Payment Facility
- Successful implementation of Capita Recurring Payment enhancements
- Maintaining service delivery throughout COVID-19 and equipping team to work remotely
- Supporting HSCNI during COVID-19 by redeploying staff
- Successful engagement with stakeholders on revising the SSAR Performance Report and KPIs for the next financial year 21/22
- Supported HSC wide rollout of Chip & Pin functionality in all coffee shops and canteens in response to COVID-19

Looking Ahead to 2021/22

Key priorities will include:

- Sustain and maintain CICM Quality Accreditation and Centre of Excellence
- Working in partnership with our customers on the implementation of AI/Robotic solutions to add value and increase service efficiency
- Continue active involvement and contribution within CICM, NICS Debt Management Forum and the Shared Services UK Forum
- Working in partnership with our customers on the successful implementation of Making Tax Digital across all 12 HSC VAT registered bodies
- Increase % of card payments being made using automated system
- Pilot invoicing triage process to identify incorrect or incomplete requisitions at source to optimise resources and promote right first time

Payments Shared Services

Key Developments and Achievements for 2020/21

- Moving to WFH model
- Successfully working from home
- Maintaining existing service
- Hosting regular team video calls to ensure staff still feel engaged
- Constant reviewing of daily register report
- PPE prepayments – developed and implemented new process
- Improved Prompt payment performance
- Hosting meetings with suppliers on multimedia platforms, enabling issues to be addressed expeditiously
- Bringing together organisations to help meet HSCNI KPI's, improving Supplier confidence.
- Training of staff remotely
- Encouraged and promoted the use of Invoice Dispute for all Trusts thus cutting down on rejected invoices

Looking Ahead to 2021/22

- Continued improvement of prompt payment performance
- Establish new working processes to optimise new structure with Band 4s, enhancing quality and controls
- Begin professional accreditation for staff
- Investigate new working patterns to accommodate WFH and WFB
- Develop WFH opportunities, policies
- Continue to reduce aged debt on the register
- Continue to develop knowledge share SharePoint site
- Continued growth, expansion and improvement of Cloud Invoicing process
- Complete the BHSCT Nurse Bank Agency invoice Proof of Concept
- Expand the Nurse Bank Agency invoice service offering
- Improve on the 20/21 KPI performance
- Redevelop the Prompt Payment KPI
- Develop an APSS dashboard report

Recruitment Shared Services

Key Developments and Achievements in 2020/21

The HSC Recruitment service has delivered a significant improvement programme during 2021/21 despite the workforce pressures caused by COVID-19. Over the year the Recruitment Centre focused on 3 key themes where the following achievements were realized:

Visibility through Introduction of Vision 2020 SharePoint Site which:

- Provides Visibility of all ongoing activity to staff in the HSC Recruitment Centre.
- Facilitates movement of activity through the Centre's processing arrangements
- Facilitates real time Dashboards for the Centre to identify daily actions in priority order.
- Allows the Centre to work effectively as a team
- Facilitated a re-launched of the Managers Dashboard in September 2020; updated Daily this allows managers of single or multiple Requisitions, views to track activity once in the Recruitment Centre

Speed of processing improved whilst maintaining safe recruitment practice:

- Further streamlining of the Pre-employment Checks Process.
- Introduction of Web Based forms to make it easier for candidates to return their documentation.
- Significant improvements against KPI with Bespoke Activity Processed 15 days faster with 90% within KPI and Waiting List Activity Processed 19 days faster with 82% within KPI (*February 2021*).

Communication to support the process:

- Launch of a Recruiting Managers 'One stop shop' Portal to provide all the necessary documentation and information on the recruitment process in one place with a range of supporting tools
- Introduction of candidate management calls to support those receiving a conditional offer on next steps.
- Introduction of daily Manager emails to remind them of outstanding activity.
- A trial of Manager Support calls during the shortlisting process.
- A trial service desk to improve the flow of calls and emails to the Centre.

We have also continued to work collaboratively with the Regional Strategic Resourcing Innovation Forum (SRIF) to influence the strategic Recruitment agenda. In particular we have collectively reviewed the KPI's for the Recruitment Process and the outworking's of these will be seen in 2021/22.

Looking Ahead to 2021/22

In the year ahead we plan to:

- Work collaboratively with colleagues across the service and through SRIF to influence, change and develop the strategic Recruitment agenda.
- Continue to review process flows and identify opportunities for further automation which might support speedy quality processing activity.
- Further develop the communication channels to the HSC Recruitment Centre seeking to add value through developments in service offerings to support an improved manager and candidate experience.
- Deliver new customer reports which provide for greater information on the recruitment journey which might facilitate identifications of action to improve the candidate experience.

Shared Services Payroll Service Centre (PSC)

Key Developments and Achievements in 2020/21

- Continued successful delivery of PSC services throughout the significant challenges experienced during the COVID-19 pandemic.
- Significant work delivered on achieving regional agreement and documenting new SLAs and KPIs. These set out clear roles and responsibilities between PSC and customer organisations to support accurate and timely payment to staff.
- Delivery of pay awards including AFC Pay Award, NIAS Pay Award and Medical & Dental Pay Award.
- Delivery of Ministerial driven priorities such as reimbursement of strike pay and implementation of free car parking for HSC staff.
- Improved governance of the maternity calculation process.
- Worked with customer organisations to increase adherence in the submission of approved timesheets.
- Continued strong governance and control framework within PSC. This has resulted in a split opinion on our most recent audit review with a satisfactory opinion being given for all elementary aspects of PSC operations, leaving just a few areas of focus that will be addressed in our next audit cycle.
- Delivered a range of change requests to improve system performance and customer service.
- Introduction of an automated solution to support the calculation of overpayments.

Looking Ahead to 2021–22

Key priorities will include:

- Implementation of Pay Awards to include AFC Pay Award and Senior Executive Pay Award.
- Delivery of Ministerial driven priorities such as Staff Recognition Payment and extension of free car parking for HSC staff.

- To achieve readiness for accredited status as a Payroll Centre of Excellence. This will include the roll out of accredited training for staff in PSC as well as strong focus on training in general and staff engagement.
- Completion of SLA and KPI work with the ability to report on performance. The completion of work in this area will allow for reporting to all customer organisations on performance across the region and will enable PSC and customer organisations to work collaboratively to continually improve.
- Creation of a new Payroll Quality Improvement Programme to further improve the service delivered. This programme will focus on key areas of delivery where there are weaknesses in controls or improvements in processing are required.
- Stability in the PSC workforce to embed new structures and focus on key skill requirements. Recruitment of permanent staff will be undertaken and the skills need assessed to deliver ongoing improvements in delivery and efficiency.
- Focus on PSC reporting capability to support the drive for continuous improvement.
- Continue to deliver change requests to improve system performance and customer service.
- Continuous review of governance and controls of all PSC processes.

Shared Services HSC Regional Interpreting Service

The BSO Interpreting Service provides face to face foreign language interpreting support to the 5 Health and Social Care (HSC) Trusts, Primary Care Services, and other approved HSC providers in Northern Ireland. The main aim of the Service is to improve access to HSCNI for Patients/Clients who do not speak English proficiently.

Key Developments and Achievements 2020/21

- 60,550* requests processed during 2020/21
- 99.12 %annual provision rate
- 2,234 video calls provided (final figure to be confirmed)
- 72 South Eastern HSC Staff and Practitioners completed BSO Interpreting Service *Working well with Interpreters* Training via Zoom between November 2020 and February 2021
- 32 Southern HSC Staff and Practitioners completed BSO Interpreting Service *Working Well with Interpreters* Training via Zoom in February 2021
- 56 Northern HSC Staff and Practitioners completed BSO Interpreting Service *Working well with Interpreters* Training via Zoom in March 2021
- 26 ASW Training Programme Students completed BSO Interpreting Service *Working well with Interpreters* Training via Zoom in February 2021 in February 2021
- 2020/2021 Top Languages: Polish, Arabic, Lithuanian, Romanian, Bulgarian

**significant reduction in volume due to COVID19/reduced face to face medical appointments*

Looking Ahead to 2021/22

- Commencement of the Regional Communication Support Service for Deaf, Deaf/Blind and Hard of Hearing Service to offer consistency, standardisation, accessibility of service delivery and value for money.
- Further capacity building to ensure provision for key priority languages including Farsi, Amharic, Tigrinya and Tetum

BSO Shared Services Transformation

BSO Shared Services Transformation has delivered a range of initiatives contributing to the overall BSO strategic objectives. Some of these initiatives address internal audit findings directly, whereas others have been delivered to ensure effective and efficient delivery of services.

Key Developments and Achievements 2020/21

Payroll (PSC) Internal Audit Findings: The Transformation team has worked throughout this reporting period on addressing a range of internal audit findings from 2018/19 and 2019/20.

<i>Findings area</i>	<i>Delivery</i>	<i>Status</i>
Processing Timesheets	A new timesheet (ETM02) has been designed, all required controls have been built into the timesheet and regionally rolled out. Processing rules have changed and controls set up. While project is complete support continues to be provided for monthly 'BAU' work.	Complete
Maternity	Created a centralised, automated solution using an offline system to compute calculations accurately. This has been rolled-out to PSC.	Complete
HMRC Reporting (RTI)	Automated the solution for retrospective reconciliations and developed a solution for future years	Complete
Overpayments	A number of offline/calculation tools have been developed and deployed. Currently being updated for next year. Tools to be applied to earlier years being finalised.	In Progress
Roles & Responsibilities, KPI's and Reporting	The SLAs are being discussed with customer organisations to ensure agreement.	In Progress

Service Improvements have been delivered to improve the effectiveness and efficiency of Shared Services. These include the following:

Service Area	Key Deliverable	Outcomes Achieved	Status
R&S	Vision 2020	Supporting the Vision 2020 programme with improving workflow management and producing dashboards for management information.	Complete
R&S	Vision 2020	Developed the mail merge capability to standardise/automate communications	Complete
R&S	Vision 2020	Developed the customer and KPI reporting.	In Progress
R&S	Vision 2020	Supporting the pilot project for the matching of student nurses to open vacancies through the development and deployment of advanced data analytics.	In Progress
PSC	Standardisation	Standardization of processes in preparation for the system replacement programme.	In Progress

Looking Ahead to 2021/22:

<i>Key priorities</i>
Fully participate in the Payroll Quality Improvement Programme (PQIP) to address all of the outstanding Internal Audit findings as defined in the report for 2020/2021
Identify and deliver a series of Continuous Improvement (CI) projects across Shared Services, maximising data tools and automation.
To complete a readiness assessment and continue process standardisation in advance of the Business Systems Replacement Project.

Operations Directorate

Key Developments and Achievements 2020/21



Mr Peter Wilson
Interim Director of
Operations

What a year 20-21 has proven to be for the Operations Directorate! Between adapting our working practices to work from home for the majority of our teams to the task of buying and supplying over 400 million items of PPE, this has been quite a year.

In a year when all our lives were dominated by “R” numbers and lockdown the teams in Family Practitioner Services (FPS), Procurement and Logistics Services (PaLS, Pensions, Counter Fraud and Probity Services (CFPS) and Small Business Research Initiative (SBRI) quietly went about their business. Some staff worked from home others were in the work place, for some it was business as usual for others they were redeployed to other areas as their business was on pause, the common denominator though was a quiet determination to deliver services to our clients.

Notable achievements for Operations in this most unique of years follow the theme of “getting the basics right” despite the disruption of the Covid-19 pandemic:

- Paying family practitioners accurately and on time throughout the year
- Buying and supplying over 400 million items of personal protective equipment
- Paying the pensions of all retired superannuation scheme members accurately and on time
- Coping with an increase in counter fraud investigations during lockdown
- Providing continued support to live SBRI projects
- Delivering services from home or following social distancing guidelines where working from home was not possible.
- Adapting our processes to reflect the changed environment or changed operational requirements

The desire to meet the needs of our clients amongst our staff was overwhelming and the willingness of those clients to work with us to achieve that should not go unrecognised. It is remarkable how, when faced with a crisis of the magnitude of COVID-19, organisations can work together and compromise to achieve a common goal.

Looking Ahead to 2021/22

In the year to come we all hope to see our lives returning to normal. For the Operations teams this “normality” will see us start to embed the positive changes that Covid has forced on us as we continue to deliver “business as usual”. With a fair wind we hope to see our teams return to the office, where they have been working from home, this will be important not only to support service delivery but also for our staff to re-connect with BSO and maintain that important social contact with workmates.

Coming out of COVID-19 we expect to see service growth in some areas accompanied by increased activity in others, PaLS, Pensions and CFPS are especially likely to be impacted. There will, of course, be the work needed to support HSC in re-building services and whilst some of that has begun in 20/21 it will undoubtedly be a focus for many of our services during 21/22.

Each of our services will face their own particular challenges but we are confident that whatever that challenge might be our experience over the last 12 months has prepared us to meet it.

The following sections show the work of the Operations Directorate on a service by service basis.

Procurement and Logistics Service

Key Developments and Achievements 2020/21

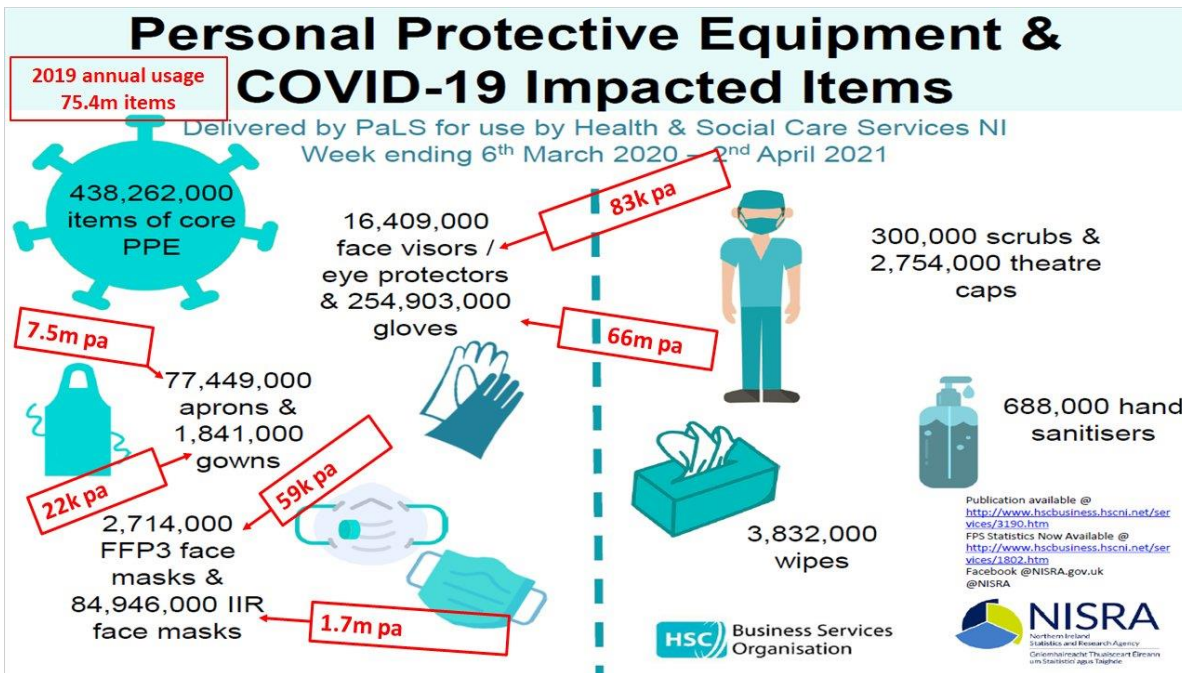
The year 2020/21 was a year like no other. It was a year of many challenges, for everyone in Procurement and Logistics Service (PaLS). Our staff dealt with the emergency response to the COVID-19 pandemic as they do with everything, by going above and beyond their call of duty.

Throughout 2020/21 we have lived through the most significant event of our lifetime, and everyone in PaLS played their part in supporting our HSC frontline colleagues to be prepared for the COVID-19 pandemic. Reflecting back on the year, it has been a very humbling and emotional experience for everyone in PaLS, irrespective of the role undertaken.

In order to meet the demand for PPE in preparation for and throughout the first surge PaLS made extensive use of the Public Contracts Regulations 2015 regulation 32 in order to purchase goods without competition due to the unforeseen nature of the pandemic. This action was necessary to secure the volumes of PPE urgently required due to the worldwide demand outstripping available supply. This is best exemplified when comparing usage of Type 2R facemasks in 2019 of **£1.7m per annum** with the peak using the first surge which was **3.2m per week**. The use of this regulation during the pandemic was recommended by UK Cabinet Office PPN01/20 published in March 2020. During spring and summer of 2020, PaLS put in place a Dynamic Purchasing System open to all NI Public Sector bodies in order to conduct future competitions for PPE.

In 2020/21, there were many COVID-19 related key achievements within PaLS:

- The following infographic shows the significance and scale of the task of procuring, warehousing and transporting Personal Protective Equipment (PPE) and COVID-19 impacted items, to the front line HSC staff, by PaLS staff.



- The numbers in red represent the previous annual usage, thereby illustrating approx. 400% increase in volumes handled.
- PaLS staff were heavily involved in ensuring the COVID testing regimes were brought to NI, by liaising with regional and national groups.
- Extensive teamwork and collaboration with each other, and with many groups and networks locally, as well as regionally, nationally and internationally, such as:
 - PaLS collaborations with MOIC, and IPC cell – to ensure safe, quality products were procured
 - PaLS collaborations with InvestNI, CPD, and DOH – to develop local manufacturing
 - PaLS collaborations with Trusts – to transport the PPE to the front line within HSC and primary and social care sectors
 - PaLS collaborations with TEO/NI Bureau/ Foreign Office – to procure directly from China
 - PaLS collaboration with national expert groups – to ensure NI had sufficient testing capacity
- Procurement staff were moved to remote working, and logistics staff, given the nature of

their work remained safely in the workplace

- Logistics footprint was increased from 175k sqft to 508k sqft of warehousing space
- Many staff in PaLS worked in areas well outside their comfort zone during the most crucial times, e.g. procurement staff volunteered to work in the warehouse.
- A number of local manufacturers were engaged as they re-purposed their facilities and were on boarded successfully as new suppliers to the health service.
- Procurement and logistics staff had to quickly develop and introduce new processes and procedures, whilst always keeping an eye on governance and audit.
- PaLS competed with the rest of the world for supplies, and in doing so were educated in international procurement laws.
- PaLS successfully navigated the genuine offers of PPE from the many fake ones.
- PaLS supported a range of new customers, from the primary care and independent social care sector.

Despite all of that PaLS managed to also achieve the following, which were non COVID-19 related:

- The PaLS ICT Procurement team provided extensive support to a number of ICT programmes, including Provision of Technology Hardware to HSC; Microsoft Licencing Solutions Partner, supplying solutions to all HSC organisations; Digital Identity Service, a project to manage personal identities across HSC systems and is a key enabling project for others such as Encompass, NIPACS+ and NIPIMS.
- The Social Care Procurement team have advertised the “Pseudo Dynamic Purchasing System” for the procurement of Elective Care Services; awarded the Belfast Talking Therapies Contract, and developed a manual for under threshold tendering for HSC Trusts.
- PaLS EU Exit Steering Group, and senior management team prepared again for the UKs exit from the European Union, which had to take cognisance of the new NI Protocol which was introduced, and so far these plans have been proven effective.
- Logistics staff set up a new local store and a team to manage WHSCT PPE.
- Both Procurement and Logistics put business as usual on hold, and since July 2020, have been returning to BAU, and keeping that on-going while the challenges of COVID-19 remain.

Looking Ahead to 2021/22

No one would have assumed that we would still be dealing with the COVID-19 pandemic, 12 months on, and as we begin to plan our way out of this, new challenges are emerging for PaLS which are outside of normal business challenges:

- Forecasting and planning the reduction in PPE stock holding
- Aligning our warehousing space to the planned reduction in PPE stock holding.
- There are planned increases in testing for HSC and additional warehousing space and staffing will be required.
- Anticipating new practices being introduced at Trusts as HSC services are re-built, and what this will mean for our procurement and logistics services.
- The anticipation of hybrid remote and office working for our staff, and a change to our internal working practices.
- Potential burn out of our procurement and logistics staff, who have had an extremely tough year professionally and personally.

There are also challenges foreseen within normal business:

- The fall out of EU Exit is not yet complete. There will be on-going statutory and regulatory updates and new challenges to supply of product and warehousing due to the EU Exit deadlines and grace periods.
- The EU Exit buffer stocks will be required to be depleted and space aligned.
- Potential of increased legal challenges due to the changes in the marketplace either as a consequence of COVID-19 or EU Exit.
- NI Procurement Board has been re-constituted and this will bring with it a new strategic focus for procurement which will include supply chain resilience and a greater focus on social value.
- A potential change in the Procurement Regulations due to UK exit from EU.
- The HSC staff who PaLS rely on for their expertise and knowledge to assist us in awarding contracts, have also had a very difficult year, and may not be readily available to participate in tendering opportunities.
- The renewal of the WHSCT Domiciliary Care Contract
- The preparation work required for new procurement and logistics systems, i.e. replacement of FPL.
- Recruitment and retention of professional staff in a highly competitive market place.

Family Practitioner Services (FPS)

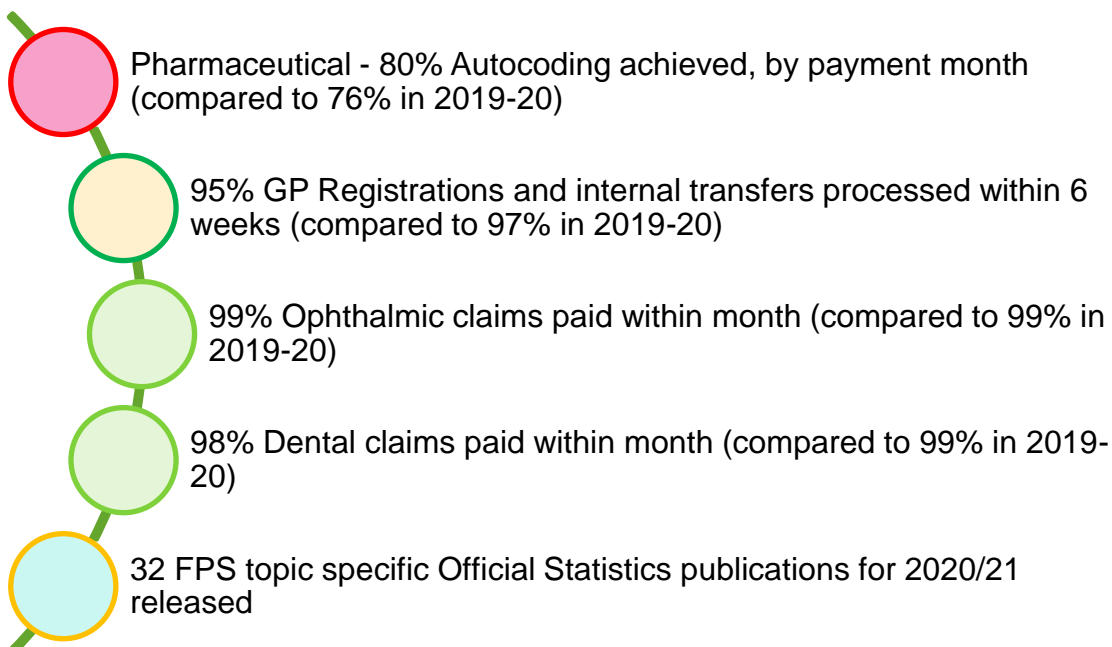
FPS provides services on behalf of the Health and Social Care Board (HSCB) to support General Medical Practitioners, General Dental Practitioners, Pharmacy Practitioners and Community Ophthalmic Practitioners, who deliver primary care services across Northern Ireland.

These services include payment, maintaining an up-to-date patient registration database, medical record transfers, professional support and information analysis, reporting and research function.

FPS also acts as a Centre of Expertise for accessing Health & Social Care in Northern Ireland.

FPS administers the call and re-call services for cervical cancer and bowel cancer screening on behalf of the Public Health Agency, and provides information to the HSCB and Department of Health (DoH).

Key Achievements and Key Performance Indicators (KPIs) in 2020/21:



Looking Ahead to 2021/22

- FPS main Official Statistics publications to be independently assessed for National Statistics accreditation by UK Statistics Authority.
- Subject to successful proof of concept pilot, new innovative method to automatically harvest health and care numbers from un-scanned prescription bar codes to be implemented using Optical Character Recognition technology. This will significantly improve the quality and utility of historic prescribing data, a key BSO information asset.
- Development of interactive dashboards to provide user-friendly access to pharmaceutical information
- Support ongoing development and deployment of NHAIS Replacement System via DIS Project
- Support deployment of the GP2GP Electronic Transfer of Medical Records Project
- Support ongoing development for electronic transfer of prescriptions
- Establishment of a Drug Tariff Intelligence Unit embedded within Pharmaceutical Services
- Modernisation of the pharmacy drug Masterfile
- Business intelligence software Qlik Sense being utilised throughout FPS service areas to monitor key performance indicators and management information
- Access to Health process developed and managed entirely within FPS
- Continued support for COVID-19 related support payments in all payment areas

- Support deployment of Clinical Communications Gateway to contractors
- Redevelop Ophthalmic Claim System (OCS) into FPPS
- Continue to promote FPPS Portals to Dentist and Pharmacy users through targeted workshops

Counter Fraud and Probity Services

There is no doubt that the single biggest challenge we have all faced during 20/21 has been operating during the Covid-19 pandemic and Counter Fraud and Probity Services have been no exception. In seeking to maintain business as usual the Counter Fraud Service has had to adapt to new ways of working whilst the Probity Services have had to stand down due to the pressures on the family practitioner services to respond to the pandemic.

Counter Fraud Services

These services have continued to operate throughout the pandemic with staff adapting to work from home whilst continuing to carry out the important work of fighting fraud. The tables below show how staff in this service have maintained their service levels, in fact during the year we have seen an increase in referrals for investigation;

Table 1 – Year to Date Case Summary Report – All Cases

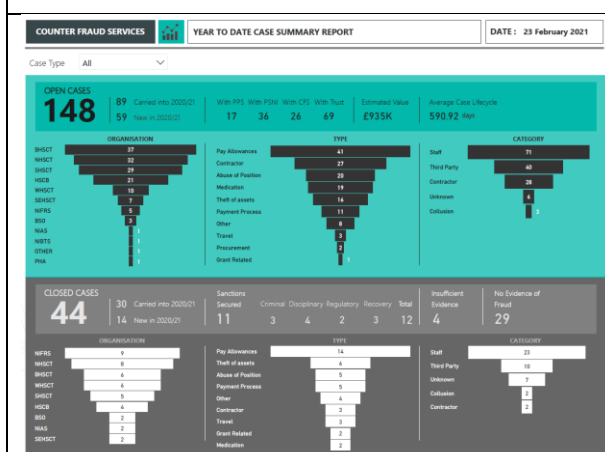


Table 2 – Year to Date Case Summary Report – Fraud Investigations

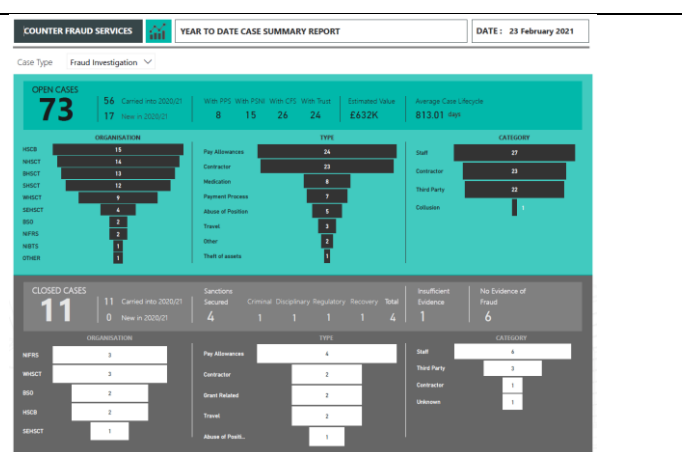


Table 3 – Advice and Guidance Dashboard

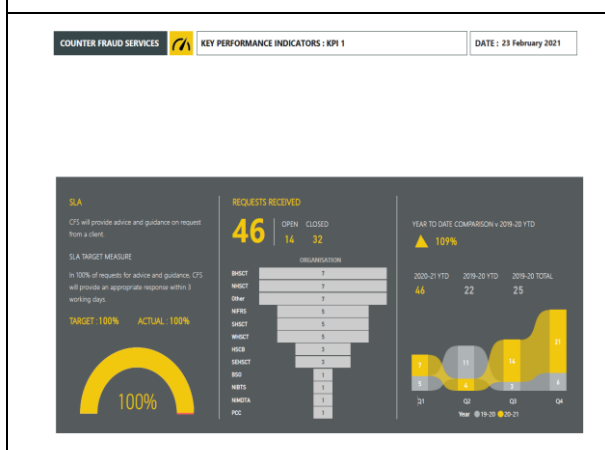
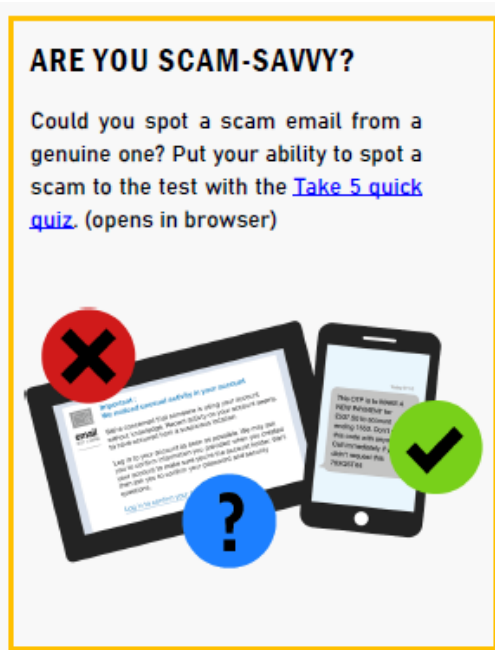


Table 4 – Fraud Hotline Dashboard



Our Counter Fraud team recognises the risk that HSC organisations face in combatting cyber fraud, something we all face in our personal lives also, and in our November edition of “Fraud Matters” included information on the “Take Five” national campaign against fraud including a quiz to test how scam savvy we all are:



Probity and Exemption Services

During the Pandemic we have had to stand down new work for the Probity Service on the request of our clients, the Health and Social Care Board. Subsequently some of our staff from this service area has been redeployed to support other services whilst the remainder have continued to work on active cases. Thinking ahead we recognise the challenge we will face in working with our client to bring this service area and particularly the Exemptions work back to business as usual levels. In preparing for this our service lead has already prepared a roadmap for approval by our client.

Looking Ahead to 2021/22

Looking ahead to 2021/2022 we anticipate referrals to the Counter Fraud Service to continue to rise and will need to consider how best to meet that increase, similarly the re-build of the Probity Service will be challenging and, of course, dependent upon how Northern Ireland navigates its way out of the Covid-19 pandemic. We do look forward to procuring and implementing a new Case Management System which we expect to be funded in 21/22 and which will support us in managing our caseload more effectively.

HSC Pensions Service

For HSC Pension Service, COVID-19 brought a number of immediate impacts. All staff were mobilised to be able to work temporarily from home to ensure HSC Pension Service could deliver the services that clients depend on, including the processing of benefit applications, calculation and payment of benefits and the general administration of the HSC Pension Scheme.

Key Developments and Achievements in 2020/21

Payroll Pension Team (PPT)

The Payroll Pension Team (PPT) was a recent addition to the HSC Pension Service Structure. Following a transfer of pension related duties from Payroll Shared Services the PPT took on full responsibility for processing the pay related elements of all HSC Pension Benefit applications right through from estimates of benefits to final retirement applications and everything in between.

This was a relatively new and inexperienced team which relied strongly on the knowledge and experience of the team leader to assist and guide them. This would prove particularly challenging at this time for a number of reasons, including staff working from home and a few staff members had taken a different career path moving on to other positions. However with strong communication networks established and a training school operated remotely, the team managed to rally and produce pensionable pay figures for no fewer than 5505 pension events.

Despite the pandemic the Payroll team continued to pay all payrolls for both regular and one off payments and managed to pay 480,835 individual payments.

Pension Administration Team

Throughout the pandemic, the Pensions Administration Team has continued to award all pension related benefits in a timely manner, paying over 2,300 pensions, which is a great achievement as most of the team have been working remotely. To enable the tem to pay these pensions, the Pension Administration Team amended most of the application forms so that they could be completed on-line by members and employers. The team successfully completed all other payments in respect of death benefits, refunds, transfers and all other ad-hoc duties that they deliver on a daily basis.

The Quality Assess Team

The Quality Assess team has throughout the pandemic continued to process the data for members received from the employers to keep members pension records up to date. The Annual Benefit Statements were completed on time for the August deadline and uploaded to the Member Self Service portal for members to view. The project for the transition of the NI Fire Service pension administration to the HSC Pension Service has continued throughout the pandemic period.

Annual Allowance (AA) Team

In late 2019/20 HSC Pension Service created a new Annual Allowance (AA) team to deal specifically with the many issues arising for HSC Pension Scheme members as a result of the wide ranging and ever changing Pension Taxation legislation. Annual Allowance is the amount of savings a member can make to their pension in a given year without incurring a tax charge. The team was initially put in place for an 18 month period up to 31/03/2021

Like many other colleagues across the HSC, working from home, managing home schooling and maintaining strong communication amongst team members proved to be very challenging. As a result of a strong team-working ethic and commitment from all, the AA team rallied and ensured they exceeded expectations.

The team in addition to providing a first class service to scheme members extended their service to also develop the provision of member specific one to one consultations for those impacted by Annual Allowance taxation issues. Such has been the success and importance of the service provided by the AA Team, funding has now been provided to make the team permanent and form an integral part of the HSC Pension Service.

Pension Liaison Team

The role of the Pension Liaison Team changed dramatically in 2020/21. One of the principal functions of the team is to provide expert information to scheme members on the rules of the HSC Pension Scheme and to assist them in better managing their pension portfolios. This role was primarily face to face either in a group setting or on a one to one basis through individual consultations.

As a result of the pandemic, new approaches were developed, using Zoom and Microsoft Teams amongst other electronic communication platforms. Adapting to these new service delivery

methods suffered some initial teething problems but soon HSC Pension Service Workshops and One to One consultations were being delivered on an almost daily basis. For the year 2020/21 over 1000 Scheme members attended virtual workshops whilst over 800 Scheme members were provided with telephone or Zoom one to one pension consultations.

Looking Ahead to 2021/22

The Pensions landscape will continue to shift. The recent completion of the Public Sector Pension Scheme Consultation, sometimes referred to as the McCloud Judgement will provide a multitude of challenges, including but not limited to

- The development of a system capable of managing the complex pension calculations associated with the changes in legislation
- The recruitment and training of a project team to work on fully implementing the outcome of the consultation
- The production and delivery of a comprehensive communication strategy to keep members fully informed of changes in legislation
- The development of a number of on-line tools to assist members in making their choices

The above challenges plus maintaining and striving to continually improve on our current service delivery will prove to be very difficult as we in HSC Pension Service learn to live and adapt to the “new normal”, however I have every confidence that HSC Pension Service will meet these challenges head on and continue to deliver a first class service to our clients and colleagues throughout the HSC Family.

Small Business Research Initiative



Small Business Research Initiative (SBRI), also known as Pre-Commercial Procurement (PCP), is a programme designed to promote innovation and development of technologies to help address some of our service issues within the wider Health and Social Care sector in Northern Ireland. SBRI is a phased research and development programme; typically Phase 1 being the creation of a working prototype and Phase 2 enabling field trial testing within the HSC Trust environment.

Key Developments and Achievements in 2020/21

SBRI health reached its sixth anniversary in the HSC during the year. It certainly was a different year with the COVID-19 pandemic and learning how to work remotely whilst maintaining momentum with projects. This year saw unprecedented numbers of healthcare professionals involved in the programme, directly influencing technology development to ensure that patients receive the best care possible.

BSO was the lead for an international project, MAGIC, which closed in March 2020 and was reported on to the EU Commission in November 2020. The project involved innovative technologies for stroke rehabilitation being trialled in Northern Ireland and Italy by post stroke patients.

Current Projects are:

Project CHAT - Optimising Provision of Speech and Language Therapy to meet the NICE guidelines following a stroke. CHAT will radically re-engineer systems and pathways of care with novel, innovative technology solutions to more effectively rehabilitate patients after stroke who have identified Speech and Language Therapy needs. Phase 2 commenced on 1st October 2020 with a duration of 18 months.

Project PAIN - Project PAIN seeks to provision a digital platform to support people living with persistent pain by providing information to aid self-management, to become a data source on the profile of patients living with persistent pain in Northern Ireland and to provide opportunities for

further research to improve services for patients with persistent pain. Phase 2 commenced on 1st October 2020 with a duration of 12 months.

Project DETECT - Detecting Emerging Traits of psychosis in Educational and Community CohorTs. DETECT will develop technology enabled solutions addressing early identification of and intervention for the prodromal or pre-psychotic phase of schizophrenia. Phase 2 commenced on 1st September 2019 with a duration of 12 months, however there has been a temporary suspension due to Covid-19 but the phase will restart in the 2021/2022 financial year

To date BSO has undertaken eleven SBRI/ PCP projects. More information is available on all of the different projects at:

<http://www.hscbusiness.hscni.net/services/2893.htm>

Looking Ahead to 2021/22

The current projects will continue with planning underway to support new SBRI projects and explore new funding streams. There is also investigation into a joint SBRI with Scotland, England and Wales which is being explored which would be an exciting new development for the SBRI team.



Mr Mark Bradley

Interim Director of Customer
Care and Performance

Customer Care and Performance Directorate

The Customer Care and Performance Directorate drives improved performance and adds value for our customers as well as having a number of operational services. There is a small Customer Care and Performance team which delivers a corporate service across the BSO and facilitates the negotiation of contracts between internal directorates and external customers as well as managing the various partnership and engagement arrangements put in place to liaise with customers. The department has corporate responsibility across

a number of key areas including Corporate and Business Planning, Performance Management and Reporting, Risk Management and Governance.

In addition to corporate Customer Care and Performance responsibilities, the Directorate also comprises Information Technology Services responsible for the provision of a wide range of ICT services, programmes and projects across all Health and Social Care (HSC) Bodies and the Northern Ireland Fire and Rescue Service.

The Office of Research Ethics Committees NI sits within the Directorate and has responsibility for the operation of a Research Ethics service to protect the rights, dignity and welfare of research participants within the HSC and NHS and to protect the rights of researchers to perform ethical research and legitimate investigation.

The Equality and Human Rights Service also forms part of this Directorate and provides a range of services to support BSO and HSC customer organisations to meet their statutory responsibilities as public authorities.

Finally, the Honest Broker Service with the aim of enabling access to anonymised, aggregated health and social care data for research purposes.

Customer Care and Performance

The primary role of the Customer Care & Performance Team is to deliver a corporate service across the BSO working in partnership with internal and external stakeholders and customers to improve service delivery. The department operates with a small team of staff.

The BSO has grown from approximately 900 staff across 14 service areas in 2009 to more than 1600 staff across 21 service areas in 2021 with plans to grow extensively, in particular across ITS related functions. Our customer base has also expanded and we now deliver to 17 organisations within the Health and Social Care System and the Northern Ireland Fire & Rescue Service. Our services continue to grow year on year and now include recently agreed proposals to deliver services to NHS Wales. This growth continues to be supported by the CCP team.

This department is responsible for the co-ordination and agreement of Service Level Agreements between internal directorates and external customers as well as the various partnership and engagement arrangements put in place to liaise with customers. The department has corporate responsibility across a number of key areas to support the Senior Management Team and the BSO Board. Each of these areas require a co-ordination and advisory role across 21 service areas, liaison with customers and the Department of Health Sponsor Branch, analysing returns, prioritising key issues and drafting reports. These include:

- Corporate and Business Planning and Performance Management
- Corporate Governance & Risk Management
- Quality Monitoring and Reporting
- Customer Relations and engagement
- Communications and Social Media

Key Developments and Achievements during 2020/21

- A SharePoint site was developed to automate the receipt of performance information for the Corporate Scorecard.
- A review of the Corporate Scorecard was undertaken resulting in significant changes to enhance reporting to the BSO Board.
- A new Risk Management e-learning package was launched for BSO staff.
- A review of the BSO Corporate Governance Framework was undertaken which may result in changes to our current approach.
- A comprehensive review of Service Level Agreements was completed in partnership with the Regional HSC Organisations resulting in significant enhancements to the agreements.
- A new Customer Report was developed in partnership with BSO services to include a range of additional Key Performance Indicators to support Service Level Agreement performance improvement.
- A plan to support the return to Business As Usual within BSO services was developed following the first surge of COVID-19.
- New governance arrangements were developed to strengthen the operation and management of Service Level Agreements.

Looking Ahead to 2021/22

- A new Corporate Plan will be developed during 2021/22 which will include a review of the reporting mechanisms.
- A review of Service Level Agreements with the 6 Health Trusts will be initiated.
- A new Partnership Agreement is being prepared to replace the Management Statement and Financial Memorandum (MSFM) which includes significant changes to the current approach.
- A review of Customer Surveys will be taken forward with a consultation and engagement plan to form part of the new customer strategy. A programme of engagement and communications activity will be put in place to build on customer confidence and satisfaction.
- A review of the current approach to Benchmarking activity will be taken forward.

Equality Unit

Key Developments and Achievements during 2020/21

With the onset of the pandemic, the Equality Unit refocused its resources on supporting the BSO and client organisations in three priority areas:

- considering the equality impacts of policies and decisions relating to the COVID-19 response
- closely engaging with staff who have a disability and staff who are carers via Tapestry, the staff disability network, to identify any changes to their support needs as a result of working under COVID-19 (through meetings/group calls via video, one-to-one conversations, and emails) and raising awareness thereof amongst staff and decision-makers
- Facilitating clients in meeting their statutory reporting obligations.

In addition to their annual progress reporting on implementation of the equality and disability duties, the Unit has supported clients in commencing their Five Year Review of Equality Schemes. To this end, the Unit collected in-house data (such as on training and equality screenings) and conducted a series of conversations with staff working at different levels in the organisations.

Whilst the office-based Disability Placements had to be halted, it was possible to facilitate those on a warehouse placement to complete their full 26 weeks if they so wished. All decisions were taken jointly with the participants, their employment support officers and placement managers.

A further major achievement was the redesign of face-to-face equality training and Disability Awareness Days events to their delivery online.

Looking Ahead to 2021/22

A key priority in the coming year will be to support the BSO and client organisations in completing their Five Year Review of Equality Schemes, enabling them to define priorities for progressing Section 75 implementation over the next five years that are specific to their organisations.

Likewise, the Unit will work with procurement and human resources colleagues to progress the promotion of equality in contracts with recruitment agencies providing services to HSC organisations.

The Office for Research Ethics Committees (ORECNI)

Research became critically important this year during the COVID-19 pandemic, and there continues to be a massive research effort ongoing worldwide.

The Office for Research Ethics Committees Northern Ireland (ORECNI) at BSO played an essential role in this research effort on a Northern Ireland, UK and Global basis. It is a regulatory requirement that a favourable ethical opinion (from a NHS or HSC Research Ethics Committee) as well as approval from the UK MHRA (Medicines and Healthcare products Regulatory Agency) is in place for certain studies before a trial starts in the UK e.g. vaccine trials and drug trials.

During the 2021/21 financial year the ORECNI service has had to adapt to continue to provide its normal research ethics review service for research involving patients, their tissue and data as well as urgent review of COVID-19 based research. It was essential that during the COVID-19 pandemic that the research community made every effort to plan and conduct well designed clinical trials and studies to high ethical standards. The ORECNI has and will continue to provide accelerated ethical review of such studies via its HSC Research Ethics Committees.

Key Developments and Achievements during 2020/21

- The ORECNI team has adapted work processes to enable working from home and continue to deliver a high quality and efficient service.
- Volunteer committee members adapted to being involved in research ethics committee meetings held by videoconference technology rather than meeting in person. Researchers who run the studies join the meetings via this platform. A whole new way of working was put in place in March/ April 2020 which has been praised by researchers/ customers in our customer survey.
- The service has had to ethically review COVID-19 research studies and amendments as an accelerated/ expedited process as well as continuing with other research studies.
- Both HSC Research Ethics Committees also managed to obtain full quality accreditation during this demanding time whilst continuing to fully meet all legal and stretch target timelines.

- Essential training also had to be delivered on-line.

A summary of all UK COVID-19 research approved by the HSC Research Ethics Committees and other NHS Research Ethics Committees is published at <https://www.hra.nhs.uk/covid-19-research/approved-covid-19-research/>.

Some COVID-19 study examples reviewed by the HSC Research Ethics Committees at the ORECNI were:

- The COVID-19 in pregnancy study (CoPS)
- The Covid-19 Myocardial Injury Study
- Advance care planning for nursing homes in a COVID-19 outbreak; Monitoring skin health of clinical staff wearing PPE during COVID-19
- A first in man study to treat acute cough in coronavirus
- Community Seroprevalence of SARS-CoV-2
- Compliance with COVID-19 restrictions and ways to help improve adherence
- Mass spec analysis of metabolites in blood from COVID-19 patients.

Looking Ahead to 2021/22

The service will need to adapt to the 'new normal', after COVID-19 lock down. A survey of HSC REC members has been undertaken for planning purposes and the best fit option is to run ethics meetings in a 'mixed model' whereby some members may attend the meeting in person and others may still join by videoconference. A flexible approach is the best way forward to meet the continuing challenges of the service which will include migrating customers to a new research application platform (New IRAS) as well as implementing as 'business as usual' a Joint regulatory working approach with the Trial regulator, the MHRA.

Information Technology Services

Business Services Organisation, Information Technology Services (BSO ITS) is responsible for the provision of a wide range of ICT services, programmes and projects across all Health and Social Care (HSC) Bodies and the Northern Ireland Fire and Rescue Service. It is about to begin delivery of a managed service for the Family Practitioner system to NHS Wales.

ITS Services portfolio ranges from operational support of large complex clinical, business and social care IT services to the delivery of large projects / programmes including procurement and implementation of new regional enterprise IT solutions which support the transformation of Health and Social Care in Northern Ireland.

ITS supports in excess of 50,000 users across nearly 300 systems and is responsible for annual ICT expenditure circa £40m and is responsible for the current delivery of 71 regional technology led programmes / projects.

Key Development and Achievements in 2020/21

Finance, Procurement and Logistics (FPL)

During 2020 in response to COVID-19, operation processing increased within the Finance, Procurement and Logistics system from 5 working days per week to 7 calendar days and in particular warehouse operations increased to 12 midnight with the addition of a new shift.

Service Improvements and upgrades continued throughout the FPL suite during 2020, some of the highlights being:

- **DBbacs Upgrade** to version 6.3 was successfully implemented in January 2020, ensuring automated secure electronic payments are processed in respect of both FPL and HRPTS systems scheduling BACS transfers to both suppliers and staff.
- **Capita 'Touchtone automated telephone payment'** functionality was implemented in June 2020 enabling patients/service users who have received an invoice from HSC Trusts to pay their invoice over the telephone.
- **Capital 'Recurring Payment Scheduling'** was implemented in September 2020 enabling patients/service users to have an instalment plans in place processing regular payment requests from patients/service users debit or credit cards.

- The **Finance Process Manager (FPM)** internet based application which enables Managers to approve NON-POP invoices was successfully upgraded to version v2.4.0.21 on 9th November 2020, improving processing times.

Human Resources, Payroll, Travel and Subsistence (HRPTS)

Our biggest achievement during this past year of unexpected change was to keep the HRPTS service fully operational and to complete all Business As Usual activities to the usual high standard, with minimal disruption to our business users. The team adapted to working from home pretty much seamlessly, as did the offshore service provider based in Noida, India, whose support team was also required to work remotely. Remote working on such a grand scale did present difficulties which the team had not experienced before, such as a serious intermittent BACS issue, which took excellent collaborative working across several BSO teams in order to find a workable solution.

As well as normal operational maintenance activity such as two patching exercises and a disaster recovery test, some key components of the SAP Business Suite were upgraded during the past year namely the Solution Manager and the Process Integration module, which handles all system interfaces. Two further SAP component upgrades are in the planning stages, the Enterprise Portal and Business Warehouse.

The HRPTS contract is due to be extended later this year, to allow time for a replacement system to be procured and implemented. This is an exciting time for the service which has learnt a great deal over the past 10 years and hopefully will apply this learning into implementing a new, integrated HR, Payroll, Travel and Recruitment system.

Systems Development, Data Warehouse and Systems Integration

- Built and supported processes to receive daily updates of Pillar 1, 2, 3 and 4 testing which populated a regional Central Test Register. This facilitated Contact Tracing and DoH reporting to CMO, Minister and public.
- Supported PHA and RQIA in data collection and reporting of daily Care Home SitRep data.
- Worked closely with Honest Broker Service to enable HSC NI's participation in the National Core Studies programme.

Secondary Care Systems

Northern Ireland Picture Archiving and Communication System (NIPACS)

Utilising an enterprise wide solution, NIPACS continues to deliver services to meet clinical demand throughout the region. One of the key areas delivered this year was a major change to the NIPACS voice Recognition Software provider and a complete refresh of the end to end Reporting workflow for Radiology. This has enabled a move to a PACS based single application solution, not only a considerable modernisation, but has also helped facilitate home reporting in light of COVID-19 pressures. Other large projects included the deployment of additional clinical applications and the replacement of our existing advanced visualisation software which both have helped to improve workflows and increase efficiency for our users. The upload of pictures and videos into NIPACS for various specialties throughout the region, using Image Central, continues to develop with new requests.

BSO LIMS

As part of Regional ALMS (Automated Laboratory Medicine Systems) Project, Microbiology |Interfacing has been completed for all Trusts with other disciplines (Biochemistry, Haematology, Blood Bank) at various stages in each Trust and implementation on course to be completed 21/22.

Several new COVID-19 Tests implemented including LumiraDx interfaced as Point of Care test giving improved accuracy and Improved flow of patient through ED (eEMS) – all COVID-19 data made available to Regional COVID-19 Databases.

ORACLE SYSTEMS

Applications have been developed to varying degrees to facilitate the HSCNIs response to the Covid-19 pandemic.

eEMS has been developed and configured to assist Emergency Departments with the implementation of the 'Covid-19 Urgent and Emergency Care Action Plan - No more silos'.

A point of care (POC) LumiraDX Covid-19 test has been enabled in the Emergency Departments by the development of an electronic HL7 Patient Demographic Interface from eEMS to POC.

eEMS has been configured to be used by the Southern Trust for their Direct Assessment and Ambulatory Care Units and this module has been developed further to electronically transfer discharge letters from these units to NIECR.

CAPPS – Cancer Patient Pathways

BSO ITS continue to enhance the staff skill sets required to bring support of the CaPPS application in house – this has resulted in a more timely response to the many COVID-19 related requests for CAPPS and better experience for staff and end users.

Looking Ahead to 2021/22

- Continued support for PAS and Theatres with both support contracts extended until at least 2024.
- BSO LIMS team to complete Regional ALMS (Biochemistry, Haematology and Blood Bank) project by end of year.
- COVID-19 Tests including Primer and Roche LIAT are expected to go live 21/22.
- Ongoing NIPACS projects include integration with Cardiology, Western Trust Oncology and prospective integrations with Endoscopy and Arthroscopy services.

Northern Ireland Electronic Care Record (NIECR)

- Continual growth of users with 29k currently and projected 3k more this year – OBC predicted 10k
- Further developments in electronic document transfer between primary and secondary care with extending access to NIAS ambulance staff (~150k transfer per month and rising)
- Key Information Summary (KIS) functionality deployed and customised new roles for community Optometrists and Pharmacists
- Independent sector is now enabled access with all controls to facilitate the widening of NHS services to these centres and to enhance patient safety
- Further widening of innovative Patient Portal to patients with any chronic condition
- Exploring even more ways to maximise existing functionality and continue delivering essential clinical information for HSC workers
- BAU delivery for a system with over 40 interfaces sitting on over 120 servers

Primary, Child Health and Community & Social Care

Primary Care

- On-going support to 321 GP practices, including the replacement of 2,300 devices.
- Management and rollout of IT equipment and services in support of DoH's Multi-Disciplinary Team transformational initiative. (142 desktop PCs, 32 laptops and 126 printers).
- Significantly enhanced GMS IT security.
- Successful completion of 3 practice system mergers and a practice closure.
- Detailed preparation work to move 7 GP practices to new Lisburn Health Centre.
- Transferred IT services for Portadown Treatment room to Southern Trust.
- Recruitment of 8 ICT placement Students.
- GP OOH:
 - On-going support to GP OOH Provider organisations.
 - Major upgrade of the infrastructure and both the Aadastra and Odyssey applications for all users of the system – including GP OOH, COVID-19 Centres and Phone First.
- COVID-19 related achievements:
 - Provision and support of remote working facilities for GP practice response to COVID-19 through the provision of 2,000 remote access accounts, procurement and setup of an additional 700 laptops and 500+ webcams and headsets.
 - Specification, procurement, testing and implementation of a Covid-19 Test Requesting solution.
 - Support and guidance, as well as procurement of IT solution, for the establishment of Primary Care COVID-19 Centre IT.
 - Enabled the use of CCG to facilitate GPs in referring patients to Primary Care COVID-19 Centre for consultation or covid-19 testing and to
 - Enabled CCG to generate Death Certificates for submission to the General Registrar Office and to send radiology referrals to limit patient footfall in radiology waiting areas.
 - Provision of automated daily activity reports for CCG referrals.
 - Support and guidance, as well as procurement of changes to GP systems to support import of vaccination records.
- No More Silos (NMS).

- Contribution to the design and delivery of the primary care IT element of No More Silos (NMS).
- Procurement of changes to Aadastra to facilitate the Phone first IT solution.
- Development of CCG to enable referrals from GPs to Urgent Care Centres, Rapid Assessment Centres and ED.

Looking Ahead to 2021/22

- Continued support to 321 GP practices, including equipment refresh.
- Continued support of GP OOH and CCG.
- Rollout of Photo Dermatology facilities to all GP Practices.
- Support to the GMS IT Modernisation Programme, including GP2GP, Server Consolidation and VDI.
- Continued rollout of MDT equipment.
- Continued support to the NMS Programme including:
 - Further expansion of CCG.
 - Provision of IT solution and support for GP to GP referral, lab test requesting and prescription creation, by federation GPs.
 - Support for the introduction of New Models of Prescribing.
- Installation, commissioning and migration of 7 GP practices to new Lisburn Health Centre
- Deployment of Point of Prescribing Decision Support system in General Practice.
- Implementation of SNOMED across GMS.

Child Health

- On-going support of the NICHS across all Trusts.
- Enhancement of Childhood Immunisation Programme to:
 - Better facilitate call and continual recall of children for immunisations.
 - Capture the impact of the pandemic on immunisation clinic sessions and vaccination uptake.
- Enhancement of “Healthy Child Healthy Future”, “Early Intervention Transformation Programme” and “Health for Looked after Children” modules to:
 - Support “virtual” contacts, appraisals and reviews; and
 - Capture the impact of the pandemic on the delivery of these services.

- Development of a “Smart for Hearing” electronic interface to facilitate the automatic transfer of child registrations and registration updates from the NICHS to the national Smart for Hearing system.
- School Health Programme enhancements to:
 - Schedule / reschedule activities (vaccinations, health appraisals, medicals, assessments (vision, audiology)) due to pandemic pressures and
 - Capture impact of the pandemic in delivering these services.
- Creation of a suite of standardised management and operational reports:
 - HPV - New consent reports;
 - Health Visiting - Seen by HV during Antenatal period;
 - Breast Feeding – uptake analysis;
 - EITP – New reports;
 - IoP28 – New report. (Intraocular Pressure 28).

Looking Ahead to 2021/22

- Continued support of the NICHS across all Trusts.
- Implementation of national standards and outcome coding structures for new-born Bloodspot Screening:
- Enhancement of Vaccination and Immunisation modules to meet new requirements. This may include the introduction of a Covid-19 child immunisation programme
- Regional rollout of a solution for the “Health for Looked after Children Programme”
- Enhancement of NICHS consent management within the School Health Programme.
- Upload of agreed Child Health dataset into NIECR

Community and Social Care

- On-going support of SOS CARE, UNOCINI, eNISAT and FIM/FAM.
- Development of COVID-19 weekly, monthly and quarterly statistics for release in DoH bulletins to highlight changes in children’s referral patterns during the pandemic.
- Development of Looked after Children “Family Entry Mode” to minimise the effort required to enter details against multiple family members.
- Engagement with the “Signs of Safety” project to include key elements of that assessment into the revised DoH UNOCINI assessment forms and processes.

- Successful migration of WHSCT Children’s data into their PARIS application whilst maintaining payments to Foster Parents on SOSKARE.
- Devised new business processes and forms to cater for the electronic submission of GP data to Child Protection case conferences.
- Enhancement of the Farm Families Health Check application.

Looking Ahead to 2021/22

- Continued support of SOSKARE, UNOCINI, eNISAT and FIM/FAM.
- Complete the review of Children’s Statutory Reports and data definitions, and produce business case for children’s regional electronic reporting.
- Commence development of new Children’s reports – once business case is approved.
- Continued support to the System for Hospices work
- Introduce new Pre-birth Risk assessment process and link to UNOCINI processes for unborn babies.
- Upgrade SOSKARE operating environment to AIX7.2.
- Develop new hybrid delivery model for Physical Activity Referral Scheme (PARS), including login process for non-HSC staff whilst maintaining required security.

The GP Modernisation Programme

Key Developments and Achievements in 2020/21

- Commenced build of new centrally hosted ICT infrastructure for GP IT Systems and clients
- Issued and agreed the GP2GP requirements for all GP system suppliers

Looking Ahead to 2021/22

- GP IT modernisation programme to migrate all Vision and Merlok practices (systems and clients) to a managed infrastructure layer and regional datacentres
- GP2GP pilot to go live by March 2022
- Replace the NI GPSoC Framework for the provision of GP IT systems in NI.

The ePharmacy Programme

On request from DHCNI ITS developed an ePharmacy OBC to include Electronic Transfer of prescriptions and Enhanced Digital Community Pharmacy services. OBC was submitted to

DHCNI on the 18th December 2020 and received 1st round of comment in January 2021. Working to resubmit by the end of March 2021.

Looking ahead to 2021/22

- We will be seeking OBC approval and then starting Procurement.

The NIPACS+ Programme

Will replace, expand and transform the current successful NIPACS Service by providing a single Regional Imaging Service for Northern Ireland to include incorporating the RVH and BCH imaging services as well as imaging from multiple additional specialties. It will support clinical diagnosis, advance clinical pathway planning, improve patient safety and enhance patient care through continued and enhanced medical image sharing and collaborative working.

The Programme is currently in the procurement phase with contract sign anticipated for Q4 21/22.

The NIPIMS Programme

Core LIMS

- Commenced procurement March 2020 :
- Held supplier information day – 25 March 2020
- Issued ITT to selected bidders – 5 August 2020
- Held 2nd supplier information day – 14 August 2020
- Evaluation of ITT responses – w/c 19 September 2020
- Supplier Demonstrations – w/c 28 September 2020
- Began negotiation stages – w/c 26 October – 6 January 2021
- Issued ISFT – 10 February 2021
- Evaluation Final Tenders – w/c 8 March 2021
- Gateway review (gate 3) – w/c 22 March 2021

Looking Ahead to 2021/22

- Award Contract April 2021
- Begin implementation April 2021 – March 2022

Blood Production and Tracking (BPAT)

- OBC drafted and approved at project board Sept 2020
- OBC submitted DCHNI Sept 2020 awaiting approval
- Procurement strategy approved Sept 2020– restricted procedure
- SoR drafted awaiting commencement of procurement
- Gateway review completed w/c 5th March

Looking Ahead to 21/22

- OBC approval
- Begin procurement – 12 months duration

Digital Identity Service Programme

A business case of £38m has been approved to enable the replacement and modernisation of a range of core technology services, including the provision of the Health and Care Number (HCN) which is the primary identifier which ties together events within the patient care record across all HSC organisations and services.

Contract award for the core platform for DIS was made to DXC in December 2020 who are deploying an Oracle MDM and BPM platform as part of their solution.

Honest Broker Service

The Honest Broker Service (HBS) was established as a function within BSO in June 2014. The mission of the HBS is to facilitate access for approved researchers, health planners and policy makers to anonymised and pseudonymised Northern Ireland Health and Social Care (HSC) data and to assist in the analysis of such data as required.

The aims of the HBS are to:

- Facilitate approved research that may contribute to the promotion, protection and maintenance of the health of the public;
- Facilitate the planning, evaluation and delivery of health services;
- Support activities related to the above aims across the full spectrum of health;
- Contribute to knowledge regarding research methods relating to health data collection, linkage of health-related data and compilation and use of health related statistics generally; and
- Following appropriate governance, permit the outcomes of activities related to the above aims to be available for the benefit of the public and to contribute to knowledge on an open and equitable basis.

The HBS is managed jointly by the heads of the Regional Data Warehouse and the Information and Registration Unit within BSO who report on its performance to the Director of Customer Care and Performance. There are 6 members of staff who work within HBS; 4 statisticians on secondment from the Northern Ireland Statistics and Research Agency and two ICT specialists. A number of other staff across BSO also contribute to the service alongside their normal duties.

The HSC Regional Data Warehouse (RDW) is a large, secure data store which receives regular data extracts from a range of key HSC Information Systems. It is managed by BSO and hosted within the HSC Regional datacentres. It ensures that authorised users have secure access to

timely, robust and accurate management information, while complying with the requirements of the UK General Data Protection Regulations and the Data Protection Act 2018 (DPA).

It enables sophisticated analysis of stored de-identified data using a Business Intelligence toolset and a range of dashboards. HSC organisations have access to their own data collected for direct patient care, with any other organisation (for example the Health and Social Care Board or DoH) only granted access through Data Access Agreements or through HBS.

HBS enables secure access to linked de-identified Warehouse data for HSC purposes, including Business Intelligence and management reporting facilities, and for approved HSC related research. HBS is now the preferred method of granting organisations access to data. All HBS processes are in line with Data Protection and confidentiality requirements, and with the Information Commissioner's Office (ICO) Codes of Practice.

Key Developments and Achievements in 2020/21

Non-research projects have supported the DoH, PHA and HSC Trusts in performance management, service evaluation and clinical audits. Three non-research projects were completed and four are in development supporting the DoH, PHA and HSC Trusts in performance management, service evaluation and clinical audits across a range of areas.

COVID-19 has impacted on the research service as the safe room through which researchers access data has had to close for much of the year however HBS staff have facilitated access with social distancing and enhanced cleaning regimens in place when it has been possible to do so, the team have also offered a remote query service where HBS staff have run queries on behalf of researchers to help them progress their work where possible.

During this year the HBS have completed a pilot of technology which will offer remote access for researchers known as the UK Secure e-Research Platform (UK SeRP – Developed by Swansea University Medical School). The HBS have received funding from Health Data Research UK (HDR UK) for this pilot and now the pilot is completed have engaged with the Trusts and other HSC organisations to put the necessary governance arrangements in place for launch of the new service using this software.

The HBS have also been engaged with HDR UK as a delivery partner to help progress a programme of work relating to COVID-19 research across the UK. This programme of work known as the National Core Studies has involved the Regional Data Warehouse, HBS staff and wider HSC staff working together to make key datasets relating to COVID-19 available for research.

As part of this programme of work and with the new ability to offer remote access the HBS will be taking on research projects relating to COVID-19 involving researchers from Universities outside of Northern Ireland.

Despite the impact of COVID-19 on local projects the HBS team have continued to work with researchers on development of new project proposals and have approved 11 projects within the year which indicates the demand for the service remains high.

Looking Ahead to 2020/21

It is anticipated that the HBS will continue to support a wide range of both non-research and research projects which will provide a valuable contribution to health and social care policy.

We hope to re-open the Safe Room as soon as COVID-19 restrictions have been eased and it is safe to do and will be rolling out the remote access service via the UK SeRP.

The programme of work for the National Core Studies relating to COVID-19 will continue into 2021/22 and the HBS team expect a range of projects to come through relating to COVID-19 including really important work around the safety and effectiveness of the COVID-19 vaccine.

Finance Directorate



Karen Bryson
Director of Finance

Key Developments and Achievements in 2020/21

COVID-19

COVID-19 has presented one of the most challenging years for the delivery of financial services to both BSO and our customers requiring the delivery of services in a remote working environment. I am delighted to report that the resilience and teamwork within the finance department has enabled all department members to meet their required targets and provide a high-quality service both internally, within the organisation and externally, to our customers.

Financial Planning and Monitoring

The BSO achieved its statutory breakeven requirements in 2020/21, arriving at a £69k surplus for the Organisation at the financial year end. During the 2020/21 financial year, the Financial Management Division continued to monitor the financial position of the organisation to enable us to effectively manage the break-even requirement.

Budget holders continue to have access to online, drill-down monthly financial information. The total budget that was managed during 2020/21 was £346m and this was reported on to the Senior Management Team, BSO Board and managers monthly throughout 2020/21. The total number of budget reports issued for the year was 173.

BSO's financial statements for 2020/21 were approved by the Board on 24 June 2021 and were given an unqualified opinion by the Northern Ireland Audit Office.

Client Accounting

The Directorate provided a range of financial accounting and financial management services during 2020/21 to a number of Arms-Length Bodies namely, HSCB, PHA, NISCC, NIGALA, PCC, NIPEC, NIMDTA and RQIA. The client accounting team also prepared full year end Statutory Accounts for NISCC, NIGALA, PCC, NIPEC, NIMDTA and RQIA.

Nursing Bursaries and NI infected blood scheme administration

The Finance Directorate is also responsible, on behalf of the Department of Health, for the effective administration of payments under the above schemes. The total number of payments made was 37,200 amounting to £23.1m. The team supported the ongoing public enquiry into Infected Bloods and team advised and implemented an entitlement payment scale review for the Northern Ireland. In addition the team supported the increase in Trainee Nursing places implemented by the Department of Health in 2019/20.

Capital Accounting

The Capital Accounting team within the Finance Directorate continue to provide high quality, value for money services, support and advice to both BSO and client organisations, in all aspects of capital accounting, capital business case development and capital asset management. The Capital Accounting team provided advise and recommendations in the development and review of large business cases including the ITS Programme, encompass and the replacement of the BSTP systems.

Financial Services and Governance

The Directorate services and supports the Organisation's Governance and Audit Committee (GAC) which met five times during 2019/20.

BSO is an active participant in the National Fraud Initiative (NFI) and provides regular updates to the NIAO on developments in this regard. The Directorate is also responsible for the wider issue of fraud prevention and detection within the BSO. We work closely with Counter Fraud and Pro-bity Services to ensure all fraud matters are being dealt with appropriately by the BSO.

Looking Ahead to 2021/22

In 2021/22 the challenge will be to continue to provide high quality value for money financial services that will be delivering accurate, reliable and timely information to support the strategic decision-making processes within both BSO and the other arms-length bodies we support. The Finance Directorate will continue to support the business needs of the BSO and other ALBs to support the current COVID-19 Pandemic Plan and the rebuilding of the Health and Social Care Services.

Internal Audit

Internal Audit

The BSO Internal Audit Unit provides an internal audit service to all 17 arm's length bodies of the Department of Health (DoH), including BSO itself. The Internal Audit Unit strives to add value and improve client organisations' operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Unit operates in compliance with the Public Sector Internal Audit Standards. The Internal Audit Service is accredited to the ISO 9001:2008 quality standard.

Key Developments and Achievements in 2020/21

- The key objective of the Service is to ensure the delivery of the Internal Audit Annual Plans to all client organisations. This key objective was achieved within the required timeline, despite various challenges in particular delivering the Internal Audit Service during COVID-19. The Unit has conducted sufficient work during 2020/21 to enable the Head of Internal Audit to provide an annual assurance opinion to all client organisations.
- In early 2020/21, the Unit stood down its assurance service and offered its service to clients in an advisory role during quarter 1 2020/21. During this time, Internal Audit was able to conduct advisory work to develop risk, control and governance arrangements within client organisations in a manner that generally we would not have time to complete whilst conducting a programme of assurance assignments.
- Approximately one third of our staff were re-deployed in quarter 1 to other roles within BSO. Re-deployed staff demonstrated adaptability and professionalism throughout this difficult period and feedback from the other parts of BSO that staff were re-deployed to was excellent.
- During quarter 1, a core programme of work was developed, reflecting the changing audit needs as a consequence of the pandemic. The annual audit plans for all clients remained flexible and under review throughout the year, to reflect changing audit needs.

- The Internal Audit team adapted very quickly to the pandemic to work remotely during 2020/21. Whilst auditing remotely has been challenging, the team has continued to conduct audits and fulfil their professional role, with continued support and engagement from clients. During the year, sustained efforts have been made to ensure communication across the Unit was effective. Events and challenges were held with a focus on maintaining teamwork and the health & wellbeing of staff.

Looking Ahead to 2021/22

During 2021/22, our focus will be on continuing to re-establish 'normal' service to clients as much as possible, primarily increasing our on-site presence as and when appropriate in line with government COVID-19 guidance. The Unit's focus will also be on staffing stability and training and continued increased use of data analytics in our audit assignments.

Legal Services Directorate



Mr Alphy Maginness
Chief Legal Advisor

DLS have continued to provide high quality customer focus and legal services exclusively to HSC bodies in Northern Ireland 2020/21.

The total time providing legal support to our HSC clients was 90, 918 hours.

DLS has continued to provide legal advice and representation in core areas of law; the work of the Directorate has expanded in light of developments in the law, new legislation, in particular, the Mental Capacity Act 2016 which was implemented in December 2019, and the Coronavirus Act 2020, which was implemented to establish legal authority for actions taken as a consequence of the pandemic.

The Infected Blood Public Inquiry, which is UK wide, and the Neurology Inquiry continued during the year. The Minister for Health announced that two further public inquiries, in relation to Muckamore and provision of Urology Services in the Southern Trust, would take place; it is likely they will commence in the year 2021/2022.

In addition, DLS has been providing dedicated support to significant ICT projects, including Encompass, LIMS and NIPACS. Other major projects are under way including the Elective Care Dynamic Purchasing System, and more are planned, all requiring dedicated legal support.

COVID-19 Specific Issues

As a result of the pandemic DLS was obliged to implement its Business Continuity Plan. Staff were required to work from home and remote hearings were introduced, with an initial emphasis on the Family Courts, but gradually extended to all Courts and Tribunals.

During the initial few months of the pandemic a number of staff were redeployed to other service areas, notably PALS, FPS and Contact Tracing, thus providing support to other elements of the HSC.

DLS provided legal support to clients on a range of COVID-19 related issues throughout the year; issues relating to Covid-19 placed additional demands on our staff in meeting our clients' needs. Specific legal advice was provided to clients in relation to leases, licences, contracts with private sector bodies, procurement and enforcement of Regulations.

Key Developments and Achievements 2020/21

- With the very welcome and helpful assistance of the Leadership Centre, DLS developed its strategic plan for the next three years, following engagement with staff and clients.
- Arising out of that strategy, DLS has initiated a workforce and resource planning review which will continue in the year 2021/2022.
- In parallel, the business case for IT in DLS was approved by the senior management team of BSO, and we will be procuring a supplier to progress this modernisation project.
- DLS achieved re-accreditation to ISO and Lexcel quality standards during the year; these re-accreditations last for three years, with annual reviews.
- Despite the difficulties presented by COVID-19 over the last year, DLS has continued to achieve substantial savings for our clients including:
 - **£1,171,266.37** from third party costs through challenge/negotiation.
 - **£409,419.35** on counsel fees as a result of a cap on fees from the DLS junior counsel panel.
 - **£340,474.77** on CRU payments following successful appeals.
- DLS also recovered **£1.757 million** of debt on behalf the HSC, despite the difficult circumstances of the year.
- In 2020/21, 444 medical negligence cases were closed. Of these cases, damages were paid in 111 medical negligence cases. The remaining 333 medical negligence cases were closed with no compensation paid.
- The 2020/21 figure for medical negligence cases successfully defended / closed stands at 75% compared to 82% in 2019-20.
- DLS wishes to acknowledge and thank all staff for their resilience, patience and commitment in spite of the significant difficulties relating to COVID-19 over the last year.

They contributed to the delivery of high quality services, despite the lockdown restrictions and working from home.

Looking Ahead to 2021/2022

- DLS will implement aspects of its strategic plan throughout the year; in particular the workforce and resourcing review will proceed.
- The IT modernisation project will also be progressed in the coming year, following the approval of the business case.
- We will continue to meet our clients' needs for legal advice and representation in all areas of the law in 2021/2022, and will work with our clients in providing high quality legal services.

Human Resources and Corporate Services



Mrs Paula Smyth
Director of Human
Resources & Corporate

Human Resources

Business Services Organisation, Human Resource Department, commonly known as BSO HR, is the sole provider of key Human Resources functions as well as strategic and practical planning throughout the year for the wider BSO and Arm's Length Bodies (ALB's).

	Category	No. of Staff
Business Services Organisation	Male	697
	Female	879
	Total	1576

Key Developments and Achievements in 2020/21

- During 2020/21 the HR Department continued to have a significant role at both an organisational and regional level in supporting HSC staff to respond to the pandemic.
- HR staff had a major role in the recruitment, appointment and resolution of HR issues relating to the new service areas created to manage the impact of COVID-19 such as Contact Tracing & Vaccination Centre. BSO HR supported the PHA in the appointment of 266 Contact Tracing Staff and managed 1,300 applications from a variety of professions for both GPs and HSC Trusts to utilise in respect of the vaccination roll-out programme for Northern Ireland.
- BSO HR was involved in the Regional HR Cell, contributing to the development of FAQ's, Risk Assessments, and Guidance & Support for Managers and staff. Local issues were considered at the BSO COVID-19 working group which was led by HR
- A working from Home Survey in May 2020, with a follow up in November 2020 provided a means of checking in with and learning from staff and managers, the issues that were important to staff while working remotely. The outworking of the survey were shared in a 'You Said, We Listened' video, which proved successful and was well received

- In these new and challenging times, HR drafted communications to staff on a number of issues, including guidance on remote interviews, tips for working from home, details of the roll out of the vaccine to HSC staff and of vital importance staff well-being resources.
- HR staff were involved in the Regional Psychological & Well Being Cell and commissioned a number of online offerings through our EAP Inspire to provide self-help information and tips to help ourselves keep mentally well during new challenges faced from COVID-19.
- The move to remote working necessitated a redesign of R&S Training, Corporate Welcome and Absence Management to allow for on-line delivery
- HR provides ongoing support to staff and managers in the Management of Attendance to include absence dashboards, guidance and training. BSO achieved the corporate attendance targets as set by Department of Health and recorded a 1.35% reduction in absence compared to 2019/2020.
- Despite being suspended for the first five months of the year the International Recruitment project team, played their part in the welcoming of 222 overseas nurses to HSCNI. In collaboration with the 5 Trusts and with CEC's OSCE programme support, IR are currently recruiting up to 76 international nurses per month to support the Trusts in rebuilding their services.
- As well as providing support to the organisation on the workforce issues related to the pandemic, HR continued to provide essential Business as Usual activities including the implementation of the Medical & Dental Pay Award and went live with, Selenity a new ER Tracker System.
- In addition a number of policies including a Working from Home Interim Policy, a Management of Change Policy, and Workplace Policy on Domestic Abuse were agreed and implemented.

Looking Ahead to 2021/22

- Lead on a number of groups to support the Migration of staff to BSO following the closure of HSCB
- The development of a new HROD Strategy and support the outworking of both local and regional transformation initiatives
- Continue to develop partnership arrangements with our ALBs to support enhanced service delivery

- Support the organisation to achieve IIP reaccreditation in 2021
- Identify and progress actions from Cultural Assessment Survey
- Develop a COVID-19 exit strategy and continue to enhance the Health & Well resources for staff

Corporate Services

COVID-19: Health & Safety

Like all departments in the BSO, Corporate Services had to respond and adapt to the public health emergency that commenced on the 23rd March 2020. We suddenly found ourselves and our teams at home trying to work. We also had large parts of the BSO that because of the nature of their work needed to be in the office. Corporate services led on Health and Safety advice and guidance and continually adapted throughout the year to ensure our staff and our properties remained safe in light of emerging government advice. We continued to monitor staff numbers in our buildings through the Sitrep process and we continued to adapt our office space and ways of working in order to keep our staff safe.

Estates & Facilities Management

During 20/21 Corporate Services secured the delivery of new office space to deliver key programmes for the Department of Health. One of these properties is located at Clarendon Dock, Belfast which will be the exclusive location for the Encompass programme. The second property is located in Great Victoria Street, Belfast and will become a key location for BSO's rapidly expanding ITS department. Both properties provide a modern office environment that facilitates agile working - specifically to implement the principles of the Government's Office Accommodation Standards.

We continue to be actively involved in the Northern Ireland Executive Asset Management Strategy through the Reform of Property Management (RPM) programme. Construction work commenced in late 2020 on the Department of Finance James House (Gasworks) project in Belfast. The Project presents an opportunity for the BSO to avail of modern office accommodation that facilitates agile working practices, achieve better utilisation, and save money. It is envisaged that James House will be available from late 2021 and a Project Team from BSO are fully engaged in managing the BSO transition from existing Centre House accommodation to the new James House accommodation.

A new facilities management contract came into operation in February 2021. A review of controls and assurance is underway to ensure the BSO achieve VFM from this contract. The FM contract will also be benchmarked against other similar public sector services and contracts.

Complaints

BSO has a published policy and associated procedure for handling complaints.

Within this financial year the Information Governance (IG) team dealt with 53 formal complaints. This is a decrease from 91 in the 2019/20 financial year. Lessons learned reviews are carried out after each complaint where appropriate.

Complaints are analysed to identify trends and reported to the Business and Development Committee of the Board on a quarterly basis. An annual Complaints Report will be produced for consideration by the full Board.

Work is underway to expand the resource within corporate services, to include the employment of a full time complaints manager. This will enable BSO to further take forward audit recommendations to strengthen governance arrangements in BSO's handling of complaints.

Information Requests

During the 2020/21 year, the IG team processed 793 requests for information, via:

- The Freedom of Information Act (2000)
- Data Protection Legislation
- The Access To Health Records Order

This is a decrease from 912 in the 2019/20 year and is this is not unexpected given the pandemic.

Data Breaches

During the period 2020/21 there were no instances regarding BSO data breaches reported to the Information Commissioner's Office. This is a decrease from four in the 2019/20 year.

UK General Data Protection Regulation (UK GDPR)

BSO undertook a range of actions to continue compliance against GDPR. This included:

- Awareness campaigns for staff
- Review of existing policies and procedures
- Review of Service Level Agreements
- Working with regional colleague to develop streamlined processes

We will continue to work with client organisations in the coming year to embed and expand our corporate service provision in the continued implementation of GDPR.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

Under Health and Social Care (Reform) Act (Northern Ireland) 2009, the Department of Health has directed the Business Services Organisation to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Business Services Organisation of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on the going concern basis, and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Karen Bailey of the Business Services Organisation as the Accounting Officer for the Business Services Organisation. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Business Services Organisation's assets, are set out in the formal letter of appointment of the Accounting Officer issued by the Department of Health, Chapter 3 of

Managing Public Money Northern Ireland (MPMNI) and the HM Treasury Handbook: Regularity and Propriety.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Business Services Organisation auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

1. Introduction/Scope of Responsibility

The Board of BSO is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health.

There are a range of processes and structures in place to facilitate appropriate accountability. These include:

- **Management Statement and Financial Memorandum** to ensure accountability between the DoH and the BSO. Formal accountability meetings are in place in addition to on-going informal liaison.
- **Service Level Agreements with Client Organisations** to manage the working relationships with, or within, the Health and Social Care Board (HSCB), Public Health Agency (PHA), HSC Trusts and other Health and Social Care Organisations.
- **Partnership Forums and Shared Services Regional Customer Forums**
Partnership meetings with all HSC client organisations are conducted annually at a corporate level and BSO Directorates maintain regular customer service engagement meetings to discuss service delivery issues and changes required to Service Level Agreements. A group was established in 2019, known as the ALB Forum which brings together the ALBs and Senior Staff from BSO in a quarterly forum. The Assistant Director of Customer Care & Performance in BSO attends all meetings and is responsible for coordinating attendance from across the BSO for senior staff. An agreed agenda is prepared on a quarterly basis and BSO service areas are periodically invited to attend the meetings to provide updates and to discuss issues concerning performance and quality in relation to Service Level Agreements. BSO conduct regular Customer Surveys and Benchmarking activities which are shared as appropriate.

1.2 In addition to the main BSO function, the following Regional Programmes and Administered Services fall within the BSO's accounting boundary:

Regional ICT Programme (including the Encompass Programme)

Individual ICT projects are commissioned from BSO Information Technology Services (ITS) by HSCB within the context of the Regional HSC e-Health Strategy. BSO is responsible for ensuring that programme funding is spent in line with the annual spend projections agreed between BSO and HSCB, with any exceptions reported to HSCB.

Administered Services

On instruction from the DoH, BSO undertakes payment arrangements for a range of services, namely, Bursaries for Nurse Training, Blood Infected Scheme, Healthy Start Initiative, Supplement for Undergraduate Medical and Dental Education (SUMDE) and Regional Training Schemes for which total funding of approximately £28.6m (is received via the Revenue Resource Limit (RRL). This included additional RRL of £5.9m in relation to payment of a special Covid recognition payment to midwifery and nursing students. BSO also managed the Covid-19 Childcare Scheme and received funding of £2.8m in respect of payments made on this scheme. BSO also makes payments for Interpreting Services on behalf of HSCB totaling approximately £2.5m.

2. Compliance with Corporate Governance Best Practice

The Board of BSO applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The Board of BSO does this by undertaking continuous assessment of its compliance with Corporate Governance best practice, for example by assessing the BSO Governance arrangements against the Department of Health's Board Governance Self-Assessment tool.

The BSO undertook its annual Board Governance Self-Assessment in January 2021 and an Action Plan is in place. The Board Governance Self-Assessment tool focuses on four

key areas: Board Composition and Commitment, Board Evaluation Development and Learning, Board Insight and Foresight and Board Engagement and Involvement. A Board Impact Case Study also forms part of this exercise. The self assessment for 2020/21 did not indicate any significant issues.

The BSO also receives assurance from external and internal auditors through the Report to those Charged with Governance and Internal Audit Reports.

3. Governance Framework

The Board of BSO exercises strategic control over the operation of the organisation through a system of corporate governance which includes:-

- a Corporate Plan supported by an Annual Business Plan;
- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which gives decision making authority, within set parameters, to the Chief Executive and other officers;
- standing orders and standing financial instructions;
- the operation of a Governance and Audit Committee;
- the operation of a Remuneration Committee and Terms of Service Committee;
- the operation of the Business and Development Committee;
- the Management of Information Systems.

3.1 The Role of the BSO Board is to establish the Organisation’s strategic direction and aims, in conjunction with the Senior Management Team, to ensure accountability to the public for the Organisation’s performance and also ensure that the Organisation is managed with probity and integrity. During 2020/21 BSO Board operated without two of its compliment of Non-Executive Directors, having not renewed their contract when the term expired. The BSO Board has three sub committees:

- Governance and Audit
- Remuneration and Terms of Service
- Business and Development

Attendance records are maintained for the Board of BSO and its sub committees. These are detailed in the table below. Each sub committee has an approved Terms of Reference which is reviewed on an annual basis to ensure that the Committee is discharging its role and performance responsibilities.

Table 1: Attendance records for Board of BSO and Sub Committees as at 31 March 2021

Board/Committee	Number of meetings	% Attendance
BSO Board	11	90
Governance and Audit	6	100
Remuneration and Terms of Service	2	100
Business and Development	2	100

3.2 *Role of the Governance and Audit Committee (GAC)*

The GAC, under the Chairmanship of a Non-Executive Director, meets not less than four times a year in line with its Terms of Reference. Its main role is to provide an independent and objective view of internal control by overseeing internal and external audit services, reviewing financial systems, ensuring compliance with the BSO Standing Orders and Standing Financial Instructions and reviewing the Financial Statements including the Schedule of Losses. The work of internal and external audit is fundamental in providing assurances on the ongoing effectiveness of the system of internal control. Following each meeting, the Chair presents a summary report from the meeting to the BSO Board highlighting any specific governance issues. Minutes of the Committee are submitted to the BSO Board for information/noting once approved by the Committee. The GAC Chair also provides the BSO Board with an annual report in June.

The GAC completes the National Audit Office Audit Committee Self-Assessment Checklist on an annual basis to assess its effectiveness. The 2020/21 assessment was carried out in September 2020 and did not indicate any significant issues.

3.3 *Role of the Remuneration and Terms of Service*

The Remuneration and Terms of Service Committee is chaired by the Chairman of the BSO Board and its role is to advise the Board about appropriate remuneration and terms of service for the Chief Executive and other Senior Executives, guided by DoH policy and best practice. In addition, the Committee oversees the proper functioning of the performance appraisal systems.

3.4 *Role of the Business and Development Committee*

The Business and Development Committee is chaired by a Non-Executive Director and is required to meet quarterly. The role of this Committee is to increase the capacity of the BSO Board to oversee the running of the Organisation and provide assurance to Non-Executive Directors that sufficient time is being spent scrutinising organisational performance. The Committee focuses on information management, Service Level Agreement performance, benchmarking, customer satisfaction, management of complaints, human resources and corporate services policies, adverse incidents and freedom of information.

Following each meeting, the Chair presents a summary report of the meeting to the BSO Board highlighting any specific issues. Minutes of the Committee are submitted to the BSO Board for information/noting once approved by the Committee.

4. Business Planning and Risk Management

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

4.1 *Business Planning*

The BSO as an Arm's Length Body is required to take its lead from the wider Department of Health strategic vision and goals and contributes to the priorities set out by the NI Programme for Government. Therefore, the business planning process is carried out in accordance with DoH guidance the outcome of which results in the production of a Corporate Plan. This Corporate Plan sets out the mission, core values and long term objectives that will shape the strategic direction and priorities for a three year period. The BSO has four long term corporate objectives which are set out on page 19 of this Annual Report and Accounts. The Corporate Plan is supported by an Annual Business Plan which contains key priorities, targets and actions grouped under strategic objectives focusing on the organisation's core purpose. The plan includes appropriate objectives and targets relating to corporate governance, quality, resources and service delivery/improvement.

To date, it has been the practice for the DoH to utilise the BSO Annual Business Plan as a basis for accountability reviews and checks progress periodically throughout the year. The BSO also uses the Business Plan internally to guide action and update performance management metrics and risk registers. These Plans are also useful to customers to show the strategic direction of BSO. Corporate and business plans are driven beyond the BSO strategic planning process into the operational layers of the organisation. Each business area within the BSO has its own local business plan which reflects the Strategic Objectives and feeds into the corporate Business Plan. These local business plans have

formed the basis of work for Directors, Assistant Directors, Managers and Staff across the organisation and of individual and team performance appraisals.

4.2 *Risk Management*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The BSO's Risk Register is an integral part of the Assurance Process and is used as a mechanism for the Board, Governance and Audit Committee and SMT to assess the effectiveness of controls and assurances which have been identified to manage risks to the achievement of BSO objectives.

The Chief Executive is responsible for ensuring that the BSO has a systematic programme of risk identification, assessment, management and quality improvement processes and procedures. These are approved and monitored by the Governance and Audit Committee on behalf of the BSO. The Director of Finance is the Board's Accountable Officer for Risk Management, which is delivered through the Directorate of Customer Care and Performance. Operational responsibility for risk is led by BSO Directors who are responsible for the management of risks within their respective Directorates.

The BSO has a Risk Management Strategy and associated policies and procedures in place which describe the arrangements for embedding risk management into the activities of the BSO. These were reviewed in May 2020 by the Governance and Audit Committee. The updated Strategy is in line with the overall HSC Regional Risk approach and based on the principles of ISO 31000: 2018.

The BSO's aim is to ensure good risk management is evident and sustained throughout the organisation by the involvement of all staff in the identification and management of risk in their service area. Staff are involved in identifying and assessing risks for their service area; the outcome of which is reported through completion of the following:

Corporate Risk Register which is managed by SMT and quantifies strategic risks and outlines controls/assurances and action plans approved by the Governance and Audit Committee on behalf of the BSO Board to ensure the focused and effective management of these risks.

Service Area Risk Register which is managed at service level and quantifies all risks, sets out controls in place and determines the residual risk that remains. It is comprised of all the identified risks for each service within a service area and it is the direct responsibility of the various Assistant Directors/Heads of Service to manage the risks in their respective areas.

Assurance regarding the effectiveness of the risk management policy is gained through:

- Annual risk management systems audit by Internal Audit

Risk Awareness training is included in the formal BSO Corporate Induction programme and one to one training is also provided as the need arises.

5. Information Risk

The General Data Protection Regulation (GDPR) took effect across Europe on 25 May 2018. This brought with it significantly increased responsibilities in respect of how organisations collect, process and secure personal data and significant penalties for breaching the requirements. Implementation of the action plan is now complete. Progress against the action plan is reported on a regular basis to SMT and the Board.

Central to the safeguarding of information held by BSO is the effective management of information risks. Risks to the management of information/data security are identified and managed by individual directorates and that work is coordinated through the Information Governance Management Group, representatives of which are drawn from across the BSO.

Regular reports are provided to SMT and the BSO Board through the Business and Development Committee. The Chief Legal Adviser is the Data Guardian for the

Organisation whilst the Director of Human Resources and Corporate Services is the Senior Information Risk Officer. BSO has also appointed a Data Protection Officer.

The Information Governance Management Group oversees all aspects of information governance including Freedom of Information, Records Management and all information management related Policies. It also monitors progress in respect of the completion and updating of Information Asset Registers, Information Flow Mapping and Corporate Records Inventory.

Operationally, there are controls in place at directorate level to manage access to personal data. All of the regional systems and those which support the FPS payments are governed by data subject access requirements. All key systems are password protected and subject to automatic protocols which require regular change.

Regular mandatory training is delivered to all BSO staff, providing them with an up to date understanding of information governance issues and risks.

6. Public Stakeholder Involvement

The BSO is not required by statute to establish appropriate governance arrangements to involve and consult with service users, however, the BSO recognises that effective involvement is a key component in the delivery of a high quality service. Regular customer engagement mechanisms are in place between customer organisations and BSO services and a Customer Forum was established in 2019, known as the ALB Forum for the Regional HSC Organisations. This Forum was specifically established to provide a mechanism for ALBs to engage on a quarterly basis with BSO representatives. Customer and staff surveys are undertaken to ensure that appropriate and proportionate measures are in place to make certain that service delivery arrangements are informed by the views of our stakeholders. Throughout 2020/21 all board meetings have taken place via Zoom to ensure the safety of the members and their families in line the current Government guidelines due to Covid-19. When these restrictions lift and physical board meetings resume, the BSO Board will holds several of its meetings outside Belfast in line with previous years to enhance public access to its meetings. BSO Board will also explore digital solutions to enhance public access.

7. Assurance

The BSO Assurance Framework was approved by the Board in October 2013 and provides a mechanism for the effective and focused management of the principal risks to meeting the BSO Strategic objectives. In addition a schedule of Assurances mapped out to each BSO area of service was presented to the Governance and Audit Committee in March 2021.

The BSO receives assurances through the following key internal control frameworks: reports from sub committees to the Board, risk management process, monitoring of the corporate Annual Business Plan, self-assessments based on former controls assurance standards, performance frameworks, business continuity exercises, budgetary control process, audit control process, performance appraisals, mid-year and annual governance statements, adverse incidents and complaints, customer partnership forums, customer and staff surveys. Policies and procedures are reviewed regularly to ensure they are fit for purpose.

The BSO Board has considered the quality of information/data being presented to the Board and how this could be maintained/improved. The agreed process for ensuring the quality of data presented to the BSO Board assigns responsibility to each BSO Director for the quality of data within their own remit or area of expertise.

7.1 *Compliance with Circular HSS (F) 67/2006*

In 2006 the DHSSPS issued a circular on the arrangements for dealing with payments to legal representatives for claims and the controls expected. As the sole provider of legal services to the HSC, the BSO Directorate of Legal Services is required to comply with this circular.

The Chief Legal Adviser has confirmed that the BSO is compliant with the requirements outlined in the Departmental Circular HSS (F) 67/2006.

7.2 *Fraud*

BSO takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the Organisation. Our Fraud Liaison Officer (FLO) promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate or every three years.

8. Sources of Independent Assurance

The BSO obtains Independent Assurance from the following sources:

8.1 *Internal Audit*

The BSO utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis. In 2020-21 Internal Audit reviewed the systems documented in the table below.

In her annual report, the Head of Internal Audit provided a satisfactory assurance on the adequacy and effectiveness of the BSO's framework of governance, risk management and control. Details in respect of all limited audits are set out in the table below and narrative which follows:

In addition, BSO requested additional assignments as part of the Internal Audit programme, Advisory assignments, which sought to review the current processes in light of required changes as a result of Covid-19.

Table 2: Internal Audit Reports – Level of Assurance

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS	
Financial Review	Limited - HRPTS System Administrator processes and BSO Staff in Post Checks Satisfactory - BSO Payments to staff, non-pay expenditure, contract management, purchase cards (fuel cards) and COVID-19 Expenditure
CORPORATE RISK BASED AUDITS	
Family Practitioner Services Dental Payments (including COVID-19 Financial Support Scheme)	Satisfactory
ICT Procurement and Contract Management	Satisfactory
Procurement and Logistics Service – Procurement	Satisfactory
GOVERNANCE AUDITS	
Governance During COVID-19	Satisfactory
Encompass (BSO's responsibilities)	Satisfactory
SHARED SERVICE AUDITS	
Payroll Shared Service Centre	Satisfactory: Elementary Payroll Processes Limited: End-to-End HSC Timesheet Processing, SAP/HMRC RTI Reconciliation, Management of Overpayments and Holiday Pay
Recruitment Shared Service Centre	Satisfactory
Accounts Payable Shared Service Centre	Satisfactory
Business Services Team	Satisfactory

8.1.1 Financial Review

The internal audit opinion in respect of this report was split. Satisfactory assurance was provided in respect of financial processes reviewed but limited assurance was provided on HRPTS systems administrator and Staff in Post processes. Priority 1 recommendations included the need for improved monitoring of the System Administration role and conflicts with the segregation of duties matrix to ensure user roles do not breach segregation of duties controls.

8.1.2 *Payroll Service Centre*

Elementary Payroll Processes were given a Satisfactory assurance. Management of End-to-End HSC Timesheet Processing, SAP/HMRC RTI Reconciliation, Management of Overpayments and Holiday Pay were, however, given a Limited assurance. End-to-end timesheet processes in the HSC (including within PSC) require strengthening. PSC have not adequately resolved previously reported issues with calculating overpayments and handing overpayments over to Accounts Receivable for recovery. Work continues on a project to reconcile RTI (Real Time Information) data from HRPTS to HMRC data

8.1.3 *Prior Year Recommendations*

During their year end follow up of outstanding audit recommendations and recommendations from advisory assignments, Internal Audit found 203 (62.5%) of the 324 recommendations followed up were fully implemented, a further 106 (33%) were partially implemented, and 15 (4.5%) were not yet implemented. During 2020/21, BSO established an Internal Audit Forum to place a dedicated focus on the implementation of audit recommendations. The focus on implementing audit recommendations will continue during 2021/22.

8.2 *Northern Ireland Audit Office*

The Financial Statements of the BSO are audited by the Northern Ireland Audit Office who provides independent assurance to the Northern Ireland Assembly. Any control weaknesses identified in the course of conducting the audit are communicated to the Governance and Audit Committee in the Report to those Charged with Governance. A representative from the Northern Ireland Audit office attends the BSO GAC meetings.

8.3 *Attainment /Reaccreditation*

The BSO continues to promote the value of external assurance gained through benchmarking services, attainment/reaccreditation of recognised awards such as Centre of Procurement Expertise (COPE), Investors in People (IIP), Lexcel, Mark of Excellence Award and International Standards Organisation (ISO). They form part of the assurance process which assist the BSO in providing assurance to others that risks are effectively

managed and the organisation is on track to achieve its strategic vision, aims and objectives.

9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive managers within the BSO who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Governance and Audit Committee and the Business and Development Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

10. Internal Governance Divergences

10.1 Update on prior year control issues which have now been resolved and are no longer considered to be control issues.

10.1.1 Interface from Payroll Systems to Pensions Systems

During February 2017 it was brought to the attention of the BSO Payroll Shared Services Centre, by one of the HSC bodies, that there was a potential error in how the HRPTS system was calculating employers' superannuation contributions during periods of sickness and ordinary and stretch maternity leave. This error in the specification of the system dates back to the introduction of HRPTS which went 'live' in BSO in December 2012 and was rolled out throughout HSC on a phased basis thereafter.

Subsequent significant investigations resulted in the identification of a material regional liability in respect of underpayments of these contributions dating back to the introduction of the new HRPTS system in each individual HSC body. All HSC employers made payments on account of estimated liability to the Pension Scheme in 2017/18 and

2018/19. The mechanism to correct the system was implemented in 2019/20, with a further system change added in 2020/21.

10.2 Update on prior year control issues which continue to be considered control issues.

10.2.1 Underpayment of Employers' Superannuation Contributions

Pensions Service (HSCPS) Altair system receives an electronic interface from the BSO Shared Services payroll system, updating members' records on a monthly basis. At the outset of procuring a new payroll solution this interface requirement was identified and included as part of the new system requirements. In May 2012 an initial specification was submitted to the system supplier, detailing Altair data interface requirements and subsequently the interface went live on 25 May 2016.

Although the interface is operating as per design, errors are occurring due to incomplete information within the payroll system. At December 2017 there were approximately 7,500 data queries. Legacy queries were reduced to circa 2000, through a Pensions Payroll remediation team, but subsequently increased to levels of circa 4,500. A transfer of pension related functions from the Payroll Shared Services Centre to HSC Pension Services (HSCPS) to streamline pension activity and improve customer service was completed. With queries remaining at circa 4,500, a comprehensive change request was agreed, an impact assessment completed and software change developed. This solution awaits detailed System Testing, with the need of a combined team of testers from HR, Shared Services Payroll and Pensions Payroll. Unfortunately Covid-19 lockdown has delayed testing and deployment, however, this has now been scheduled to commence in May 2021.

10.3 Identification of new issues and challenges in the current year and anticipated future issues.

There are no new issues for 2020-21

11. Budget Position and Authority

On the 1st April 2021, the Minister for Finance announced the 2021-22 budget for Northern Ireland Departments. This budget totals £6,451.9m and secures a 5.7% increase for Health and Social Care when compared to the baseline budget for 2021-22.

Across the HSC sector it is expected that the significant financial challenges faced will continue and extensive budget planning work to support the 2021-22 financial plan is ongoing between the BSO, HSCB and the Department of Health. As with other financial years, BSO remains committed to achieving financial break even.

12. UK exit from the EU

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The Northern Ireland Protocol is now in place, but there are significant derogations in place which will last throughout 2021. The BSO will continue to work collaboratively with colleagues during 2021 across the HSC family and wider to ensure we are appropriately prepared for the end of these derogations.

13. Covid-19

The World Health Organisation (WHO) declared the outbreak of Coronavirus disease (Covid-19) a global pandemic on 11 March 2020, following which the Department of Health and its ALBs immediately enacted emergency response plans across the NI Health sector. There is a UK-wide coordinated approach guided by the scientific and medical advice from respective Chief Medical Officers and Chief Scientific Advisers informed by the emergent evidence nationally and internationally. Evidence-based UK-wide policies and guidelines continue to be carefully followed in conjunction with the PHA issuing local guidelines and ensuring readily accessible and continually updated advice. The pandemic has had extensive impact on the health of the population, all health services and the way business is conducted across the public sector. Protecting the population, particularly the most vulnerable, ensuring that health and social care services

were not overwhelmed, saving lives through mitigating the impact of the pandemic and patient and staff safety has remained at the forefront throughout health's emergency response.

Social distancing measures were implemented in line with The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2020 and the health sector played an important part in ensuring the NI population were aware of the need to adhere to the measures to reduce risk of transmission.

Across healthcare, leading on the testing of Covid-19 in NI has and continues to be a key priority with testing centres being set up across the country including mobile testing. The Department's Expert Advisory Group has overseen the strategic approach to testing in NI.

Northern Ireland Contact Tracing Service began contact tracing all confirmed cases of Covid-19 on 18 May 2020.

In Phase 1 preparations for Surge a number of measures were urgently taken to ensure the provision of services, including an increase on staff able to work from home.

BSO's Senior Management team continue to follow Departmental guidance and have begun to consult on and develop plans for the possible return to office based working.

14. Cyber security incident at Queen's University Belfast

A cyber security incident took place at Queen's University Belfast (QUB) in February 2021. As the HSC has multiple contractual interactions with QUB, some concerning personal information, the HSC technology teams, with the backing of the HSC SIRO's, took a number of actions to reduce potential disruption to HSC services, and continue to liaise with QUB on the impact of the cyber incident. The impact on the HSC is being fully investigated, and there may be a financial risk in relation to possible future liability, for potential claims for loss of personal data. As the breach occurred in a third party's systems the potential for liability is unclear and any financial impact is unquantifiable at present.

15. Conclusion

The BSO has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to considering the accountability framework within the Body and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the BSO has operated a sound system of internal governance during the financial year 2020/21.

REMUNERATION AND STAFF REPORT

Remuneration Report

A Committee of Non-Executive Board members exists to advise the full Board on the remuneration and terms and conditions of service for Senior Executives employed by the Business Services Organisation.

While the salary structure and the terms and conditions of service for Senior Executives is determined by the Department of Health,(DoH), the Remuneration and Terms of Service Committee has a key role in assessing the performance of Senior Executives and, where permitted by DoH, agreeing the discretionary level of performance related pay.

A circular on the 2019-20 Senior Executive pay award had not been received from the DoH by 31 March 2021, therefore related payments have not been made to Executive Directors.

The 2016-17 Senior Executive's pay award was set out in Departmental circular HSC (SE) 1/2016 and was paid in line with the Remuneration Committee's agreement on the classification of Executive Directors' performance, categorised against the standards of 'fully acceptable' or 'incomplete' as set out within the circular.

The salary, pension entitlement and the value of any taxable benefits in kind paid to both Executive and Non-Executive Directors is set out within this report. None of the Executive or Non-Executive Directors of the BSO received any other bonus or performance related pay in 2020-21. It should be noted that Non-Executive Directors do not receive pensionable remuneration and therefore there will be no entries in respect of pensions for Non-Executive members.

Non-Executive Directors are appointed by the DoH under the Public Appointments process and the duration of such contracts is normally for a term of four years.

Remuneration Report

Executive Directors are employed on a permanent contract unless otherwise stated in the following remuneration tables.

Early Retirement and Other Compensation Schemes

There were no early retirements or payments of compensation for other departures relating to current or past Senior Executives during 2020-21.

Membership of the Remuneration and Terms of Service Committee:

Ms Julie Erskine – Chair

Mr. Robert Bannon

Mr. Mark Campbell

The Committee is supported by the Chief Executive and the Director of Human Resources

Remuneration Report

Senior Management Remuneration (Audited)

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Business Services Organisation were as follows:

Name	2020-21					2019-20				
	Salary £000s	Bonus / Per- formance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to near- est £1,000)	Total £000s	Salary £000s	Bonus / Per- formance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
Non-Executive Members										
Julie Erskine	20-25	-	-	-	20-25	20-25	-	100	-	20-25
Dorothy Whittington	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Jeremy Stewart (Re- signed 30 November 2021)	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Mark Campbell	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Robert Bannon	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Patricia Gordon	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Sean McKeever	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Executive Members										
Liam Mclvor (Resigned 30/09/20)	95-100 Full Year 100-105	-	-	(8)	85-90	95-100	-	200	-5	90-95
Karen Bailey	75-80	-	-	63	140-145	75-80	-	-	-1	70-75
Sam Waide (resigned 30/09/20)	45-50 Full Year 85-90	-	100	8	45-50	80-85	-	100	30	110-115
Karen Bryson (Appointed as Director of Finance on 30/1/20)	80-85	-	-	20	100-105	10-15 Full Year 75-80	-	-	-2	10-15
Simon McGrattan	-	-	-	-	-	55-60	-	-	32	90-95

(Acting Director of Finance 07/05/19 – 29/01/20)						Full Year 75-80				
Wendy Thompson (Left 6/5/19)	-	-	-	-	-	5-10 Full Year 75-80	-	-	-1	5-10
Alphy Maginness	85-90	-	-	-	85-90	80-85	-	100	-11	70-75
Peter Wilson	85-90	-	-	-2	85-90	-	-	-	-	-
Paula Smyth (Appointed as Director of Human Resources 02/9/19)	65-70	-	-	13	80-85	55-60 Full Year 65-70	-	9,400	17	80-85
Mark Bradley	70-75	-	-	34	105-110	-	-	-	-	-

The Benefits in kind arise from any mileage expense claimed which is above the annual HMRC-approved rate or the taxable benefit from participating in the HSC Leased Car Scheme.

Remuneration Report

Pensions of Senior Management (Audited)

Name	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/03/20 £000s	CETV at 31/03/21 £000s	Real increase in CETV £000s
Liam McIvor	0-2.5 plus lump sum of 0-2.5	0-5 plus lump sum 0-5	-	-	-
Sam Waide	0-2.5 plus lump sum of 0-2.5	5-10 plus lump sum 0-5	89	102	8
Karen Bryson	0-2.5 plus lump sum of 0-2.5	30-35 plus lump sum 80-85	631	679	23
Karen Bailey	2.5-5 plus lump sum of 5-7.5	30-35 plus lump sum 95-100	681	775	66
Paula Smyth	0-2.5 plus lump sum of 0-2.5	15-20 plus lump sum 25-30	246	270	13
Peter Wilson	0-2.5 plus lump sum of 0-2.5	40-45 plus lump sum 125-130	993	1,044	10
Mark Bradley	0-2.5 plus lump sum of 0-2.5	25-30 plus lump sum 50-55	436	489	35

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the HPSS pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HPSS pension scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines prescribed by the institute and Faculty of Actuaries.

Remuneration Report

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Statement (Audited)

The Hutton Fair Pay Review recommended that, from 2011-12, all public service organisations publish their top to median pay multiples each year. The DoH issued Circular HSC (F) 23/2012 and subsequently issued Circular HSC (F) 23/2013, setting out a requirement to disclose the relationship between the remuneration of the most highly paid director in the organisation and the median remuneration of the organisation's workforce. Following application of the guidance contained in Circular (F) 23/2013, the following can be reported:

Band of Highest Paid Director's Total

Remuneration: £85 - 90k

Median Total Remuneration: £24,157

Ratio: 3.6

Range of Staff Remuneration £18 - 90k

STAFF REPORT

Staff Report

Staff Profile and Composition

The following table shows staff composition of permanently employed and Board Members as at 31 March 2021:

Staff Gender Breakdown	Male	Female	Total
Non-Executive	4	3	7
Senior Management	16	19	35
Administrative & Clerical	724	743	1,467
	744	765	1,509

Staff Numbers and Related Costs (Audited)

Staff Costs

	2021			2020
	Permanently employed staff	Others	Total	Total
	£000s	£000s	£000s	£000s
Staff costs comprise:				
Wages and salaries	48,842	7,289	56,131	50,809
Social security costs	4,476	-	4,476	4,198
Other pension costs	9,671	-	9,671	9,033
Sub-Total	62,989	7,289	70,278	64,040
Capitalised staff costs	(3,132)	-	(3,132)	(2,538)
Total staff costs reported in Statement of Comprehensive Expenditure	59,857	7,289	67,146	61,502
Less recoveries in respect of outward secondments			(1,495)	(1,496)
Total net costs			65,651	60,006

The BSO participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the BSO and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The BSO is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

Staff Report

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2020-21 accounts.

Average number of persons employed (Audited)

The average number of whole time equivalent persons employed during the year was as follows:

	2021		2020	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Administrative and clerical	1,509	190	1,699	1,669
Total average number of persons employed	1,509	190	1,699	1,669
Less average staff number relating to capitalised staff costs			94	31
Less average staff number in respect of outward secondments			21	37
Total net average number of persons employed			1,584	1,601

The staff numbers disclosed as 'Others' in 2020-21 relate to temporary members of staff.

Staff report

Reporting of early retirement and other compensation scheme – exit packages (Audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of packages by cost band	
	2020	2021	2020	2021	2020	2021
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	-	-	-	-	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	-	-	-	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	-	-	-	-	-	-

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

Staff Benefits

Refer to pages 132 to 133.

Retirements due to ill health

During 2020-21 there were four early retirements from BSO agreed on the ground of ill-health. (2019-20: 3). The estimated additional pension liabilities of these ill-health retirements will be £553k (2019:20: £195k). These costs are borne by the HSC Pension Scheme.

Staff Report

Staff Absence

The cumulative sickness and absenteeism rate for the organisation as at the end of March 2021 was 3.22% which was below the Departmental target of 4.34%.

Staff Turnover

The staff turnover for the year ended 31 March 2021 was 7.75%.

Staff Engagement

BSO conducted several surveys in 2020/21 to gain an understanding of the impact of Working From Home (WFH) arrangements as well as Cultural surveys.

Staff Communication and Employee Involvement

The BSO communicates with staff using a range of channels. Team briefings are intended to facilitate a clear communication of the connection between an individual's contribution and corporate success. The monthly newssheet "*BSO Business Matters*" has continued to be developed as a means of disseminating corporate information. Further details on employee engagement may be found as appropriate within the report of the Director of Human Resources and Corporate Services.

Equality

The BSO is committed to promoting equality of opportunity for all. Details of good practice and training initiatives, including those relating to disability issues are contained within the Equality and Human Rights section of the report of the Director of Customer Care and Performance.

Health and Well-Being

Details of BSO Health and Well-Being initiatives are contained within the report of the Director of Human Resources and Corporate Services.

Health and Safety

Classroom and on-line training on a variety of Health and Safety issues such as Fire Safety are available to members of BSO staff on Induction and as required.

Learning and Development

Details of Learning and Development for BSO staff are contained within the report of the Director of Human Resources and Corporate Services.

Community and Social Involvement

Information on Community and Social Involvement undertaken by BSO staff is contained within the Performance Analysis section of the Performance Report.

Staff Report

Expenditure on Consultancy

The BSO did not undertake any projects involving external consultancy during the 2020-21 financial year.

Off Payroll Staff Resources

	Number of staff
Off Payroll staff as at 1 April 2020	-
New engagements during the year	-
Number of engagements transferred to department's payroll	-
Number of engagements that have come to an end during the year	-
Off Payroll staff as at 31 March 2021	-

ACCOUNTABILITY AND AUDIT REPORT

ACCOUNTABILITY REPORT

Assembly Accountability Disclosure Notes

Losses statement	2020-21		2019-20
	Number of Cases	£	£
Total number of losses	6,791		1,108
Total value of losses		1,349,353	46,373

Individual losses	2020-21		2019-20
	Number of Cases	£	£
Cash losses	2	802,255	39,943
Claims abandoned	2	2,049	-
Administrative write-offs	-	-	-
Fruitless payments	-	-	-
Stores losses	6,787	545,049	6,430

Special payments	2020-21		2019-20
	Number of Cases	£	£
Total number of special payments	-	-	-
Total value of special payments	-	-	-

Special Payments over £250,000	2020-21		2019-20
	Number of Cases	£	£
Compensation payments			
- Clinical Negligence	-	-	-
- Public Liability	-	-	-
- Employers Liability	-	-	-
- Other	-	-	-
Ex-gratia payments	-	-	-
Extra contractual	-	-	-
Special severance payments	-	-	-
Total special payments	-	-	-

Funding Report

1. Funding

BSO is funded by the DoH through an annual Revenue Resource Limit and by management fees raised against HSC Organisations for services offered under Service Level Agreements.

2. Regularity of Expenditure (Audited)

BSO has processes, procedures and controls in place to endeavour to ensure that the expenditure and income reported for the year ended 31 March 2021, has been applied to the purposes intended by the NI Assembly and that transactions conform to the authorities which govern them. BSO has a delegated Scheme of Authority which sets out who are authorised to place non-pay expenditure. The Scheme sets out who are authorised to place requisitions and the maximum level of each requisition.

The Director of Finance ensures that expenditure is in accordance with regulations and all necessary authorisations have been obtained.

Long Term Expenditure Plans

Long term expenditure plans are referenced within the body of the annual report by functional area.

Special Payments

There were no other special payments or gifts made during the year.

Other Payments and Estimates

There were no other payments made during the year.

Losses and Special Payments over £250,000

The BSO had one loss greater than £250,000 which was in relation to a contractual claim. No special payments over £250,000 were made.

ii Fees and Charges (Audited)

There were no other fees and charges during the year.

iii Remote Contingent Liabilities (Audited)

In addition to contingent liabilities reported within the meaning of IAS37, the BSO also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

The BSO had no remote contingent liabilities.

Chief Executive

Handwritten signature of Karen Bailey in cursive script.

Date 24 June 2021

Section C

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

FOREWORD

The accounts for the year ended 31 March 2021 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting manual (FReM) and in accordance with the requirements of the Health and Social Care (Reform) Act (Northern Ireland) 2009.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

CERTIFICATE OF THE DIRECTOR OF FINANCE, CHAIR AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 154 to 200) which I am required to prepare on behalf of the Business Services Organisation have been compiled from and are in accordance with the accounts and financial records maintained by the Business Services Organisation and with the accounting standards and policies for HSC bodies approved by the DoH.

Director of Finance 

Date 24 June 2021

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 154 to 200) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Chair 

Date 24 June 2021

Chief Executive 

Date 24 June 2021

BUSINESS SERVICES ORGANISATION

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Business Services Organisation for the year ended 31 March 2021 under the Health and Social Care (Reform) Act (Northern Ireland) 2009. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Business Services Organisation's affairs as at 31 March 2021 and of the Business Services Organisation's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Department of Health directions issued thereunder.

Emphasis of Matter

I draw attention to Note 1.3 of the financial statements, which describes the material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Business Services Organisation in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Business Services Organisation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Business Services Organisation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Business Services Organisation is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Business Services Organisation and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Business Services Organisation and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Social Care (Reform) Act (Northern Ireland) 2009; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Business Services Organisation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Business Services Organisation and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Business Services Organisation and the Accounting Officer are responsible for the preparation of the financial statements and for

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Business Services Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Business Services Organisation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

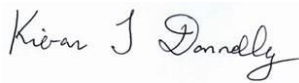
- obtaining an understanding of the legal and regulatory framework applicable to the Business Services Organisation through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on the Business Services Organisation's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Business Services Organisation's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, we identified potential for fraud in the following areas: revenue recognition, regularity of expenditure, posting of unusual journals and the existence of year end stock;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

A report on the valuation of land and buildings is not considered necessary as the circumstances are beyond the control of management.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Belfast
BT8 6RB

8 July 2021

BUSINESS SERVICES ORGANISATION

STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2021

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note(s)	2021 £000s	2020 £000s
Income			
Revenue from contracts with customers	4.1	259,020	116,652
Other operating income	4.2	25,662	21,070
Total operating income		<u>284,682</u>	<u>137,722</u>
Expenditure			
Staff costs	3	(67,146)	(61,502)
Purchase of goods and services	3	(194,583)	(53,229)
Depreciation, amortisation and impairment charges	3	(19,429)	(14,892)
Provision expense	3	(458)	53
Other expenditures	3	(64,476)	(51,503)
Total operating expenditure		<u>(346,092)</u>	<u>(181,073)</u>
Net Expenditure		<u>(61,410)</u>	<u>(43,351)</u>
Finance income		-	-
Finance expense		-	-
Net expenditure for the year		<u>(61,410)</u>	<u>(43,351)</u>
Revenue Resource Limit (RRL) received from DoH	22.1	61,479	43,398
Surplus / (Deficit) against RRL		<u>69</u>	<u>47</u>
OTHER COMPREHENSIVE INCOME/(EXPENDITURE)			
	Note(s)	2021 £000s	2020 £000s
Items that will be classified to net operating costs:			
Net gain on revaluation of property, plant & equipment	5.1/8/5.2/8	135	6,101
Net (loss)/gain on revaluation of intangibles	6.1/8/6.2/8	(130)	93
Net gain/(loss) on revaluation of financial instruments		-	-
Items that may be reclassified to net operating costs:			
Net gain/(loss) on revaluation of investments		-	-
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2021		<u>(61,405)</u>	<u>(37,157)</u>

The notes on pages 158 to 200 form part of these accounts.


BUSINESS SERVICES ORGANISATION

STATEMENT of FINANCIAL POSITION as at 31 March 2021

This statement presents the financial position of the BSO. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note(s)	2021 £000s	2020 £000s
Non Current Assets			
Property, plant and equipment	5.1/5.2	47,721	38,285
Intangible assets	6.1/6.2	103,388	51,394
Financial assets	7	-	-
Trade and other receivables	12	-	-
Other current assets	12	-	-
Total Non Current Assets		151,109	89,679
Current Assets			
Assets classified as held for sale	9	-	-
Inventories	10	170,455	9,285
Trade and other receivables	12	37,862	20,633
Other current assets	12	2,846	3,391
Intangible current assets	12	-	-
Financial assets	7	-	-
Cash and cash equivalents	11	7,101	540
Total Current Assets		218,264	33,849
Total Assets		369,373	123,528
Current Liabilities			
Trade and other payables	13	(240,398)	(39,252)
Other liabilities	13	-	-
Intangible current liabilities	13	-	-
Financial liabilities	7	-	-
Provisions	14	(534)	(163)
Total Current Liabilities		(240,932)	(39,415)
Total assets less current liabilities		128,441	84,113
Non Current Liabilities			
Provisions	14	-	(316)
Other payables > 1 yr	13	(41,220)	-
Financial liabilities	7	-	-
Total Non Current Liabilities		(41,220)	(316)
Total assets less total liabilities		87,221	83,797
Taxpayers' Equity and other reserves			
Revaluation reserve		16,129	16,427
SoCNE Reserve		71,092	67,370
Total equity		87,221	83,797

The financial statements on pages 154 to 200 were approved by the Board on 24 June 2021 and were signed on its behalf by:

Signed  (Chair) Date 24 June 2021

Signed  (Interim Chief Executive) Date 24 June 2021

The notes on pages 158 to 200 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2021

The Statement of Cash Flows shows the changes in cash and cash equivalents of the BSO during the reporting period. The statement shows how the BSO generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the BSO. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the BSO future public service delivery.

	Note(s)	2021 £000s	2020 £000s
Cash flows from operating activities			
Net operating expenditure		(61,410)	(43,351)
Adjustments for non cash costs		20,002	13,495
Increase in trade and other receivables		(16,684)	(2,810)
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant & equipment		-	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to finance leases		-	-
(Increase)/decrease in inventories		(161,170)	1,028
Increase/(decrease) in trade payables		235,645	2,122
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant & equipment		(5,611)	238
Movements in payables relating to the purchase of intangibles		127	6,646
Movements in payables relating to finance leases		-	-
Use of provisions	14	(403)	(67)
Net cash inflow/(outflow) from operating activities		<u>10,496</u>	<u>(22,699)</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(1,510)	(6,023)
Purchase of intangible assets	6	(67,446)	(15,753)
Proceeds of disposal of property, plant & equipment		21	18
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
Net cash outflow from investing activities		<u>(68,935)</u>	<u>(21,758)</u>
Cash flows from financing activities			
Grant in aid		65,000	34,939
Cap element of payments - finance leases and on balance sheet (SoFP) PFIs and other service concession arrangements		-	-
Net financing		<u>65,000</u>	<u>34,939</u>
Net increase/(decrease) in cash & cash equivalents in the period		6,561	(9,518)
Cash & cash equivalents at the beginning of the period	11	540	10,058
Cash & cash equivalents at the end of the period	11	7,101	540

The notes on pages 158 to 200 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2021

This statement shows the movement in the year on the different reserves held by the BSO, analysed into the 'Statement of Comprehensive Net Expenditure Reserve' (i.e. those reserves that reflect a contribution from the Department of Health Social Services and Public Safety). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The Statement of Comprehensive Net Expenditure Reserve (SoCNE Reserve) represents the total assets less liabilities of the BSO, to the extent that the total is not represented by other reserves and financing items.

	Note(s)	SoCNE Reserve £000s	Revaluation Reserve £000s	Total £000s
Balance at 1 April 2019		75,655	10,233	85,888
Changes in taxpayers' equity 2019-20				
Grant from DoH		34,939	-	34,939
Other reserves movements including transfers		-	-	-
Comprehensive expenditure for the year		(43,351)	6,194	(37,157)
Transfer of asset ownership		-	-	-
Non cash charges – auditors' remuneration	3	127	-	127
Non cash charges – notional costs	3	-	-	-
Balance at 31 March 2020		67,370	16,427	83,797
Changes in taxpayers' equity 2020-21				
Grant from DoH		65,000	-	65,000
Other reserves movements including transfers		-	-	-
Comprehensive expenditure for the year		(61,410)	5	(61,405)
Transfer of asset ownership		-	(303)	(303)
Non cash charges – auditors' remuneration	3	-	-	-
Non cash charges – notional costs	3	132	-	132
Balance at 31 March 2021		71,092	16,129	87,221

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the BSO for the purpose of giving a true and fair view has been selected. The particular policies adopted by the BSO are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Currency and Rounding

These accounts are presented in £ sterling and rounded in thousands.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (Statement of Asset Valuation Practice) Appraisal and Valuation Standards in so far as these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2020 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS. As a result of the recent and ongoing COVID-19 pandemic events, and in line with current RICS guidance, LPS have advised that *market evidence gathered as part of the recent 5-yearly valuation has attached to it, due to the worldwide impact of the pandemic, an increased level of uncertainty in terms of informing opinions of value.* Whilst at this stage there is no evidence of impairment as

at year-end, the future impact of COVID-19 on land and building values cannot yet be accurately assessed therefore the need for further future valuations will remain under consideration, subject to resources.

Land and buildings used for the BSO services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use
- Specialised buildings – depreciated replacement cost
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets

Modern Equivalent Asset

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the BSO expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used.

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 15 years
Other Equipment	3 – 15 years

1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of

Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of the BSO's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;

- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the BSO's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the BSO; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. BSO has regional agreement that it charges customers the cost purchasing inventory on a first in first out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 Income

BSO acts as an agent on behalf of other HSC Organisations and receives income in the form of management fees for these services. Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the 5 essential criteria within the scope of IFRS 15 are met in order to define income as a contract. Income relates directly to the activities of the BSO and is recognised when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established.

Grant in aid

Funding received from other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive net Expenditure Reserve.

1.11 Investments

The BSO does not have any investments.

1.12 Research and Development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), from 2016-17 there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. As a result, additional disclosures are included in the notes to the accounts.

1.13 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The BSO as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between

finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the BSO's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

The BSO as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the BSO's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the BSO's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions

The BSO has had no PFI transactions during the year.

1.17 Financial instruments

- Financial assets

Financial assets are recognised on the Statement of Financial Position when the BSO becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the HSC Body's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument.

- Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the BSO becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within the HSC Bodies in creating risk than would apply to a non-public sector body of a similar size, therefore the ALBs are not exposed to the degree of financial risk faced by business entities.

ALBs have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the ALBs in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

The BSO is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The BSO has no overseas operations. The BSO therefore has low exposure to currency rate fluctuations.

- Interest rate risk

The BSO has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the BSO's income comes from contracts with other public sector bodies, the BSO has low exposure to credit risk.

- Liquidity risk

Since the BSO receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

1.18 Provisions

In accordance with IAS 37, provisions are recognised when the BSO has a present legal or constructive obligation as a result of a past event, it is probable that the BSO will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation its carrying amount is the present value of those cash flows using DoF-issued discount rates as at 31 March 2021 of:

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	(0.02)%
	Medium term (5 – 10 years)	0.18%
	Long term (10 - 40 years)	1.99%
	Very long term (40+ years)	1.99%
Inflationary	Year 1	1.2%
	Year 2	1.6%
	Into perpetuity	2.0%

Note that PES issued a combined nominal and inflation rate table to incorporate the two elements – please refer to this table as necessary, as included within issuing email of circular HSC(F) 40-2020.

The discount rate to be applied for employee early departure obligations is -0.95% with effect from 2020/21.

The BSO has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the BSO has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the BSO has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.19 Contingencies

In addition to contingent liabilities disclosed in accordance with IAS 37, the BSO discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent

liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Under IAS 37, the BSO discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the BSO, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the BSO. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been determined using individual's salary costs applied to their unused leave balances determined from a report of the unused annual leave balance as at 31 March 2021. It is not anticipated that the level of unused leave will vary significantly from year to year. Unused flexi leave is estimated to be immaterial to the BSO and has not been included.

Retirement benefit costs

Past and present employees are covered by the provisions of the HSC Superannuation Scheme.

The BSO participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the BSO and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The BSO is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health.

The costs of early retirements are met by the BSO and charged to the Statement of Comprehensive Net Expenditure at the time the BSO commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be four years. However, it has been noted in HM Treasury guidance that the validation and processing of some of the Schemes' data may not be finalised until after the 2020-21 accounts are laid. Schemes are not automatically required to reflect 2020 scheme valuation data in the 2020-21 accounts. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions and a change in financial assumption methodology will be used in 2020-21 accounts.

1.21 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

1.22 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the BSO has no beneficial interest in them. Details of third party assets are given in Note 21 to the accounts.

1.24 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

1.25 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.26 Accounting Standards that have been issued but have not yet been adopted

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted. The suggested wording (to be updated as necessary once 2020-21 standard wording received from DoF) is as follows;

The International Accounting Standards Board have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of interests in Other Entities:

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury.

A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

IFRS 16 Leases:

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

Each DoH body should consider and disclose relevant figures in respect of measurement of the impact as judged necessary by each entity.

IFRS 17 Insurance Contracts:

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

The core business and strategic direction of the Business Services Organisation is the provision of both shared and support services to the HSC.

The BSO Board acts as the Chief Operating Decision Maker and receives financial information on the BSO under the following headings:

- BSO core – this segment incorporates Finance, Legal Services, Human Resources, Family Practitioner Services, Counter Fraud and Probity, HSC Pensions, Customer Care and Performance, HSC Leadership Centre and Clinical Education Centre, the Business Services Transformation Project and Shared Services.
- Information Technology Services (ITS) – this segment incorporates the functions transferred to the BSO from the Department of Health formally known as the Directorate of Information Services (DIS)
- Procurement and Logistic Services (PaLS) – this segment represents the procurement and supply services provided to HSC Trusts and other HSC Bodies
- Managed Services – the BSO manages several regional services on behalf of the HSC, such as Nursing Bursaries, Infected Bloods and Healthy Start. The costs of these services are represented in this segment.

The analysis by segment for 2020-21 is provided in the following table. Comparative figures are provided in a subsequent table.

BUSINESS SERVICES ORGANISATION

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

Statement of Operating Costs by Operating Segment for the Year Ended 31 March 2021

		Core	ITS	PaLS	Managed Services	TOTAL
	Note(s)	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	39,301	11,888	13,364	2,593	67,146
		<u>39,301</u>	<u>11,888</u>	<u>13,364</u>	<u>2,593</u>	<u>67,146</u>
Other Expenditure						
IT Programme	3	-	10,662	-	-	10,662
SUMDE	3	-	-	-	1,927	1,927
Bursaries	3	-	-	-	20,560	20,560
Healthy Start	3	-	-	-	1,575	1,575
Regional Interpreting Services	3	-	-	-	2,298	2,298
Cost of Sales	3	-	-	193,725	-	193,725
Supplies and services - general	3	663	17	168	10	858
Establishment	3	11,100	1,414	655	65	13,234
Transport	3	3	17	1,440	37	1,497
Premises	3	2,098	403	2,204	-	4,705
Miscellaneous	3	1,655	257	62	5,929	7,903
Research & development	3	-	-	-	-	-
Depreciation	3	7,888	-	-	-	7,888
Amortisation	3	11,313	-	-	-	11,313
Impairments	3/8	228	-	-	-	228
(Profit) on disposal of assets (excluding profit on land)	3	(17)	-	-	-	(17)
Provisions provided for in year	3	458	-	-	-	458
Auditors' Remuneration	3	132	-	-	-	132
Notional costs	3	-	-	-	-	-
		<u>35,521</u>	<u>12,770</u>	<u>198,254</u>	<u>32,401</u>	<u>278,946</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management fees from HSC Trusts	4	40,574	25,157	16,683	6,155	88,569
Sales	4	-	-	194,144	-	194,144
Donation /Government grant	4	474	-	-	-	474
Recoveries in respect of outward secondments	4	856	38	210	391	1,495
Research & development	4	-	-	-	-	-
		<u>41,904</u>	<u>25,195</u>	<u>211,037</u>	<u>6,546</u>	<u>284,682</u>
Net Expenditure		<u>(32,918)</u>	<u>537</u>	<u>(581)</u>	<u>(28,448)</u>	<u>(61,410)</u>
Revenue Resource Limit (RRL)	23	<u>32,231</u>	<u>(200)</u>	<u>1,000</u>	<u>28,448</u>	<u>61,479</u>
(deficit)/surplus against RRL as reported		<u>(687)</u>	<u>337</u>	<u>419</u>	<u>-</u>	<u>69</u>

BUSINESS SERVICES ORGANISATION

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

Statement of Operating Costs by Operating Segment for the Year Ended 31 March 2020

		Core	ITS	PaLS	Managed Services	TOTAL
	Note(s)	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	36,204	10,921	12,012	2,365	61,502
		<u>36,204</u>	<u>10,921</u>	<u>12,012</u>	<u>2,365</u>	<u>61,502</u>
Other Expenditure						
IT Programme	3	-	9,772	-	-	9,772
SUMDE	3	-	-	-	2,160	2,160
Bursaries	3	-	-	-	13,569	13,569
Healthy Start	3	-	-	-	2,081	2,081
Regional Interpreting Services	3	-	-	-	4,574	4,574
Cost of Sales	3	-	-	52,436	-	52,436
Supplies and services - general	3	625	56	109	3	793
Establishment	3	9,345	1,225	574	(11)	11,133
Transport	3	343	57	1,080	51	1,531
Premises	3	1,632	503	840	-	2,975
Miscellaneous	3	238	550	113	2,692	3,593
Research & development	3	-	-	-	-	-
Depreciation	3	7,475	-	-	-	7,475
Amortisation	3	7,404	-	-	-	7,404
Impairments	3/8	13	-	-	-	13
(Profit) on disposal of assets (excluding profit on land)	3	(12)	-	-	-	(12)
Provisions provided for in year	3	(53)	-	-	-	(53)
Auditors' Remuneration	3	127	-	-	-	127
Notional costs	3	-	-	-	-	-
		<u>27,137</u>	<u>12,163</u>	<u>55,152</u>	<u>25,119</u>	<u>119,571</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management from HSC Trusts	4	37,319	24,244	15,018	5,603	82,184
Sales	4	-	-	52,583	-	52,583
Donation/Government grant	4	1,459	-	-	-	1,459
Recoveries in respect of outward secondments	4	908	50	66	472	1,496
Research & development	4	-	-	-	-	-
		<u>39,686</u>	<u>24,294</u>	<u>67,667</u>	<u>6,075</u>	<u>137,722</u>
Net Expenditure		<u>(23,655)</u>	<u>1,210</u>	<u>503</u>	<u>(21,409)</u>	<u>(43,351)</u>
Revenue Resource Limit (RRL)	23	<u>22,787</u>	<u>(1,533)</u>	<u>735</u>	<u>21,409</u>	<u>43,398</u>
(deficit)/surplus against RRL as reported		<u>(868)</u>	<u>(323)</u>	<u>1,238</u>	<u>-</u>	<u>47</u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 EXPENDITURE

	2021 £000s	2020 £000s
Operating Expenses		
Staff costs ¹ :		
Wages and salaries	52,999	48,271
Social security costs	4,476	4,198
Other pension costs	9,671	9,033
IT Programme	10,662	9,772
Supplement for Undergraduate Medical and Dental Education (SUMDE)	1,927	2,160
Bursaries	20,560	13,569
Healthy Start	1,575	2,081
Regional Interpreting Services	2,298	4,574
Cost of Sales	193,725	52,436
Supplies and services – general	858	793
Establishment	13,234	11,133
Transport	1,497	1,531
Premises	4,705	2,975
Interest charges	-	-
Miscellaneous	7,903	3,593
Research & development expenditure	-	-
Non cash items		
Depreciation	7,888	7,475
Amortisation	11,313	7,404
Impairments	228	13
Profit on disposal of property, plant and equipment (including land)	(17)	(12)
Profit on disposal of intangibles	-	-
Loss on disposal of property, plant and equipment (including land)	-	-
Loss on disposal of intangibles	-	-
Increase / Decrease in provisions (provisions provided for in year less any release)	458	(53)
Cost of borrowing provisions (unwinding of discount on provisions)	-	-
Auditors' remuneration	132	127
Notional property costs	-	-
Total	346,092	181,073

During the year the BSO purchased non audit services to the value of £Nil from their auditors in relation to the National Fraud Initiative (2019/20: £Nil). The auditors' remuneration reflects time incurred re the preparation of the Shared Services Report in addition to the audit of the financial statements for the year ended 31 March 2021.

¹ Further detailed analysis of staff costs is located in the Staff Report on page 136 within the Staff Report

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 INCOME

4.1 Revenue from contracts with customers

	2021	2020
	£000s	£000s
Management fees - HSC Trusts	64,876	64,069
Non-HSC:- Private patients	-	-
Sale of goods	194,144	52,583
Clients contributions	-	-
Total	259,020	116,652

4.2 Other Operating Income

	2021	2020
	£000s	£000s
Other income from non-patient services	23,693	18,115
Seconded staff	1,495	1,496
Charitable and other contributions to expenditure	-	-
Donations / Government Grant / Funding for non current assets	474	1,459
Profit on disposal of land	-	-
Interest receivable	-	-
Research and development	-	-
Total	25,662	21,070

TOTAL INCOME

284,682	137,722
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BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5.1 Property, plant & equipment - year ended 31 March 2021

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equip- ment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2020	4,899	12,591	-	-	282	2,231	59,615	2,530	82,148
Indexation	-	-	-	-	1	-	(6)	173	168
Additions	-	-	-	2	-	508	3,692	2,919	7,121
Donations / Government grant / Lottery Funding	-	-	-	6,721	-	-	-	-	6,721
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	780	-	-	2,553	-	3,333
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation re- serve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(209)	(183)	-	(392)
At 31 March 2021	4,899	12,591	-	7,503	283	2,530	65,671	5,622	99,099

Accumulated Depreciation

At 1 April 2020	-	838	-	-	225	1,181	40,692	927	43,863
Indexation	-	-	-	-	-	-	(4)	37	33
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(18)	-	(18)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(209)	(179)	-	(388)
Provided during the year	-	367	-	-	4	298	6,839	380	7,888
At 31 March 2021	-	1,205	-	-	229	1,270	47,330	1,344	51,378

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2021

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equip- ment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Carrying Amount									
At 31 March 2021	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721
At 31 March 2020	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
Asset financing									
Owned	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2021	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721

Any fall in value through negative indexation or revaluation is shown as impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2020: £Nil)

The fair value of assets funded from the following sources during the year was:

	2021 £000s	2020 £000s
Donations	-	-
Government Grant	6,721	-
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5.2 Property, plant & equipment - year ended 31 March 2020

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equip- ment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Cost or Valuation									
At 1 April 2019	3,158	9,669	-	771	279	2,132	51,695	2,025	69,729
Indexation	-	69	-	-	3	23	10	4	109
Additions	-	-	-	-	-	219	5,065	501	5,785
Donations / Government grant / Lot- tery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	1,457	(1,457)	-	(771)	-	-	3,632	-	2,861
Revaluation	663	4,600	-	-	-	-	-	-	5,263
Impairment charged to the SoCNE	-	-	-	-	-	-	(15)	-	(15)
Impairment charged to revaluation reserve	(379)	(290)	-	-	-	-	-	-	(669)
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(143)	(772)	-	(915)
At 31 March 2020	4,899	12,591	-	-	282	2,231	59,615	2,530	82,148

Accumulated Depreciation

At 1 April 2019	-	1,941	-	-	218	1,043	34,722	776	38,700
Indexation	-	32	-	-	2	12	5	2	53
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	(1,451)	-	-	-	-	-	-	(1,451)
Impairment charged to the SoCNE	-	-	-	-	-	-	(5)	-	(5)
Impairment charged to the revalua- tion reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(143)	(766)	-	(909)
Provided during the year	-	316	-	-	5	269	6,736	149	7,475
At 31 March 2020	-	838	-	-	225	1,181	40,692	927	43,863

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2020

	Land £000s	Buildings (ex- cluding dwell- ings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Ma- chinery (Equip- ment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fit- tings £000s	Total £000s
Carrying Amount									
At 31 March 2020	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
At 31 March 2019	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
Asset financing									
Owned	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
At 31 March 2020									
Asset financing									
Owned	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount	3,158	7,728	-	771	61	1,089	16,973	1,249	31,029
At 31 March 2019									

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6.1 Intangible assets- year ended 31 March 2021

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Cost or Valuation									
At 1 April 2020	19,112	88,866	-	-	-	-	-	9,802	117,780
Indexation	(93)	(130)	-	-	-	-	-	-	(223)
Additions	56,238	4,607	-	-	-	-	-	6,474	67,319
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	8	703	-	-	-	-	-	(4,365)	(3,654)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	(228)	(228)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2021	75,265	94,046	-	-	-	-	-	11,683	180,994

Accumulated Amortisation

At 1 April 2020	10,118	56,268	-	-	-	-	-	-	66,386
Indexation	(11)	(82)	-	-	-	-	-	-	(93)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	5,673	5,640	-	-	-	-	-	-	11,313
At 31 March 2021	15,780	61,826	-	-	-	-	-	-	77,606

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6.1 (continued) Intangible assets- year ended 31 March 2021

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Carrying Amount									
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394
Asset financing									
Owned	59,485	32,220	-	-	-	-	-	11,683	103,388
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388

Any fall in value through negative indexation or revaluation is shown as impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2020: £Nil)

The fair value of assets funded from the following sources during the year was:

	2021 £000s	2020 £000s
Donations	-	-
Government Grant	-	1,459
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6.2 Intangible assets - year ended 31 March 2020

	Software Li- cences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & As- sets under Con- struction £000s	Total £000s
Cost or Valuation									
At 1 April 2019	14,942	88,159	-	-	-	-	-	6,763	109,864
Indexation	14	211	-	-	-	-	-	-	225
Additions	3,719	366	-	-	-	-	-	5,022	9,107
Donations / Government grant / Lot- tery Funding	-	-	-	-	-	-	-	1,459	1,459
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	437	144	-	-	-	-	-	(3,442)	(2,861)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(14)	-	-	-	-	-	-	(14)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	19,112	88,866	-	-	-	-	-	9,802	117,780
Accumulated Amortisation									
At 1 April 2019	8,213	50,648	-	-	-	-	-	-	58,861
Indexation	11	121	-	-	-	-	-	-	132
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(11)	-	-	-	-	-	-	(11)
Impairment charged to the revalua- tion reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	1,894	5,510	-	-	-	-	-	-	7,404
At 31 March 2020	10,118	56,268	-	-	-	-	-	-	66,386

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6.2 (continued) Intangible assets- year ended 31 March 2020

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
Carrying Amount									
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394
At 31 March 2019	6,729	37,511	-	-	-	-	-	6,763	51,003
Asset financing									
Owned	8,994	32,598	-	-	-	-	-	9,802	51,394
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394
Asset financing									
Owned	6,729	37,511	-	-	-	-	-	6,763	51,003
Finance leased	-	-	-	-	-	-	-	-	-
On SOFP PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2019	6,729	37,511	-	-	-	-	-	6,763	51,003

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of BSO are met through Grant-in-Aid provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the BSO's expected purchase and usage requirements and the BSO is therefore exposed to little credit, liquidity or market risk.

NOTE 8 IMPAIRMENTS

	2021			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	-	228	-	228
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	-	228	-	228
	2020			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	679	3	-	682
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(669)	-	-	(669)
Impairments charged to Statement of Comprehensive Net Expenditure Account	10	3	-	13

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

The BSO did not hold any assets classified as held for sale in 2020-21 or 2019-20

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 10 INVENTORIES

	2021 £000s	2020 £000s
Goods for resale	170,455	9,285
Total	170,455	9,285

NOTE 11 CASH AND CASH EQUIVALENTS

	2021 £000s	2020 £000s
Balance at 1 st April 2020/2019	540	10,058
Net change in cash and cash equivalents	6,561	(9,518)
Balance at 31st March 2021/2020	7,101	540

The following balances at 31 March were held at

	2021 £000s	2020 £000s
Commercial banks and cash in hand	7,101	540
Balance at 31st March 2021/2020	7,101	540

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2021 £000s	2020 £000s
Amounts falling due within one year		
Trade receivables	31,166	16,977
Deposits and advances	-	-
VAT receivable	6,696	3,656
Other receivables – not relating to fixed assets	-	-
Other receivables – relating to property, plant and equipment	-	-
Other receivables – relating to intangibles	-	-
Trade and other receivables	<u>37,862</u>	<u>20,633</u>
Prepayments	2,846	3,391
Accrued income	-	-
Current part of PFI and other service concession arrangements pre-payment	-	-
Other current assets	<u>2,846</u>	<u>3,391</u>
Carbon reduction commitment	-	-
Intangible current assets	-	-
Amounts falling due after more than one year		
Trade receivables	-	-
Deposits and advances	-	-
Other receivables	-	-
Trade and other receivables	<u>-</u>	<u>-</u>
Prepayments and accrued income	-	-
Other current assets falling due after more than one year	<u>-</u>	<u>-</u>
TOTAL TRADE AND OTHER RECEIVABLES	<u>37,862</u>	<u>20,633</u>
TOTAL OTHER CURRENT ASSETS	<u>2,846</u>	<u>3,391</u>
TOTAL INTANGIBLE CURRENT ASSETS	-	-
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	<u>40,708</u>	<u>24,024</u>

The balances are net of a provision for bad debts of £732k (2019/20: £5k).

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 13 TRADE PAYABLES AND OTHER LIABILITIES

	2021 £000s	2020 £000s
Amounts falling due within one year		
Other taxation and social security	2,341	3,135
Bank overdraft	-	-
VAT payable	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	6,655	-
Trade revenue payables	184,104	12,448
Payroll payables	-	-
Clinical negligence payables	-	-
BSO payables	-	-
Other payables	-	(76)
Accruals	38,146	21,421
Accruals - relating to property, plant and equipment	6,884	1,273
Accruals - relating to intangibles	924	1,051
Deferred income	1,344	-
Trade and other payables	240,398	39,252
Current part of finance leases	-	-
Current part of long term loans	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Other current liabilities	-	-
Carbon reduction commitment	-	-
Intangible current liabilities	-	-
Total payables falling due within one year	240,398	39,252
Amounts falling due after more than one year		
Other payables, accruals and deferred income	5,377	-
Trade and other payables	35,843	-
Clinical negligence payables	-	-
Finance leases	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Long term loans	-	-
Total non current other payables	41,220	-
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	281,618	39,252

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2021

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2021 £000s
Balance at 1 April 2020	53	300	-	-	126	479
Provided in year	6	50	-	-	408	464
(Provisions not required written back)	-	(6)	-	-	-	(6)
(Provisions utilised in the year)	(59)	(344)	-	-	-	(403)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2021	-	-	-	-	534	534

CSR £

CSR utilised costs include the following:

Pension costs for early retirement reflecting the single lump sum to buy over the full liability
Redundancy costs

366

-

366

Comprehensive Net Expenditure Account Charges

	2021 £000s	2020 £000s
Arising during the year	464	17
Reversed unused	(6)	(70)
Cost of borrowing (unwinding of discount)	-	-
Total charge within Operating costs	458	(53)

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2021

Analysis of expected timing of discounted flows as at 31 March 2021

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restruc- turing £000s	Other £000s	2021 £000s
Not later than one year	-	-	-	-	534	534
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
At 31 March 2021	-	-	-	-	534	534

Provisions have been made for 3 categories of potential liability: early retirement for directors and other staff and outstanding legal cases. The provision for early retirements relates to the future liabilities for the BSO based on information provided by the HSC Superannuation Branch. For other provisions the BSO has estimated an appropriate level of provision based on professional legal advice.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2020

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2020 £000s
Balance at 1 April 2019	66	392	-	-	141	599
Provided in year	-	-	-	-	17	17
(Provisions not required written back)	(8)	(60)	-	-	(2)	(70)
(Provisions utilised in the year)	(5)	(32)	-	-	(30)	(67)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2020	53	300	-	-	126	479

Analysis of expected timing of discounted flows as at 31 March 2020

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Other £000s	2020 £000s
Not later than one year	5	32	-	-	126	163
Later than one year and not later than five years	20	128	-	-	-	148
Later than five years	28	140	-	-	-	168
At 31 March 2020	53	300	-	-	126	479

Provisions have been made for 3 categories of potential liability: early retirement for directors, other staff and outstanding legal cases. The provision for early retirements relates to the future liabilities for the BSO based on information provided by the HSC Superannuation Branch. For other provisions the BSO has estimated an appropriate level of provision based on professional legal advice.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 15 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements	2021 £000s	2020 £000s
Property, plant and equipment	11,572	1,882
Intangible assets	12,400	7,608
	<u>23,972</u>	<u>9,490</u>

NOTE 16 COMMITMENTS UNDER LEASES

16.1 Finance Leases

BSO has no finance leases.

16.2 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

Obligations under operating leases comprise	2021 £000s	2020 £000s
Land		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>
Buildings		
Not later than one year	724	672
Later than one year but not later than five years	1,378	1,075
Later than five years	-	-
	<u>2,102</u>	<u>1,747</u>
Other		
Not later than 1 year	322	322
Later than 1 year and not later than 5 years	242	564
Later than 5 years	-	-
	<u>564</u>	<u>886</u>

NOTE 16 COMMITMENTS UNDER LESSOR AGREEMENTS

16.3 Operating Leases

BSO has not issued any operating leases.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 17 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

17.1 Off balance sheet PFI contracts and other service concession arrangements

BSO had no commitments under PFI and other concession arrangement contracts at either 31 March 2021 or 31 March 2020.

17.2 On balance sheet (SoFP) PFI Schemes

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet (SoFP) PFI or other service concession transactions was £1,455k (2020: £2,531k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

Service elements due in future periods	2021 £000s	2020 £000s
Due within one year	2,640	1,455
Due later than one year and not later than five years	1,320	3,960
Due later than five years	-	-
	<hr/>	<hr/>
	3,960	5,415

The on balance sheet service concession arrangements included above are as follows:

- NIPACS (contract ending September 2022)

NOTE 18 OTHER FINANCIAL COMMITMENTS

The BSO did not have any other financial commitments at either 31 March 2021 or 31 March 2020.

NOTE 19 CONTINGENT LIABILITIES

Backdated Holiday Pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for the 23rd and 24th June 2021 but this has subsequently been adjourned. Based on the position in the NHS in England, Scotland and Wales, an accrual at 31 March 2021 has been calculated by HSC management for the liability and is included in these accounts. However, the extent to which the liability may exceed this amount remains uncertain as the calculation has not been agreed with Trade Unions. The potential additional financial effect of this is unquantifiable at present.

Queen's Cyber Incident

A cyber security incident took place at Queen's University Belfast (QUB) in February 2021. As the HSC has multiple contractual interactions with QUB, some concerning personal information, the HSC technology teams, with the backing of the HSC SIRO's, took a number of actions to reduce potential disruption to HSC services, and continue to liaise with QUB on the impactor of the cyber incident. The impact on the HSC is being fully investigated, and there may be a financial risk in relation to possible future liability, for potential claims for loss of personal data. As the breach occurred in a third party's systems the potential for liability is unclear and any financial impact is unquantifiable at present.

NOTE 19.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

The BSO did not have any financial guarantees, indemnities and letters of comfort at either 31 March 2021 or 31 March 2020.

NOTE 20 RELATED PARTY TRANSACTIONS

The BSO is an arm's length body of the Department of Health and as such the Department is a related party with which the BSO has had various material transactions during the year. In addition the BSO provides a range of shared services to all other HSC bodies.

During the year, none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the BSO with the exception noted below.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 21 THIRD PARTY ASSETS

The BSO holds the following bank accounts, which are not included in these financial statements

Name of Account	Details
BSO NIGALA	This account is used for the transfer of funds on behalf of the Northern Ireland Guardian ad Litem Agency (NIGALA), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIGALA and are covered by its audit process.
BSO NISCC BSO NISCC Registration	These accounts are used for the transfer of funds on behalf of the Northern Ireland Social Care Council (NISCC), for whom the BSO provides financial and other services. The income and expenditure relating to these accounts are included in the Annual Accounts of NISCC and are covered by its audit process.
BSO NIPEC	This account is used for the transfer of funds on behalf of the Northern Ireland Practice and Education Council for Nursing and Midwifery (NIPEC), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIPEC and are covered by its audit process.
BSO RQIA	This account is used for the transfer of funds on behalf of the Regulation and Quality Improvement Authority (RQIA), for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of RQIA and are covered by its audit process.
BSO NIMDTA BSO NIMDTA Direct Debit	These accounts are used for the transfer of funds on behalf of the Northern Ireland Medical & Dental Training Agency (NIMDTA) for whom the BSO provides financial and other services. The income and expenditure relating to this account are included in the Annual Accounts of NIMDTA and are covered by its audit process.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 22 Financial Performance Targets

22.1 Revenue Resource Limit

The BSO is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit (RRL) for BSO is calculated as follows:

	2021	2020
	Total	Total
	£000s	£000s
DoH (excludes non cash)	43,406	32,434
Other Government Department	-	-
Non cash RRL (from DoH)	20,002	14,954
Total agreed RRL	<u>63,408</u>	<u>47,388</u>
Adjust for income received re Donations/ Government Grant / Funding for non current assets	(474)	(1,459)
Adjustment for IFRIC 12	<u>(1,455)</u>	<u>(2,531)</u>
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	<u><u>61,479</u></u>	<u><u>43,398</u></u>

22.2 Capital Resource Limit

The BSO is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2021	2020
	Total	Total
	£000s	£000s
Gross Capital Expenditure	81,161	16,351
Less income received re Donations/ Government Grant / Funding for non current assets	(7,195)	(1,459)
Less IFRIC 12 spend (Receipts from sales of fixed assets)	(1,455)	(2,531)
	(21)	(18)
Net capital expenditure	<u>72,490</u>	<u>12,343</u>
Capital Resource Limit	<u>72,538</u>	<u>12,416</u>
Overspend/(Underspend) against CRL	<u><u>(48)</u></u>	<u><u>(73)</u></u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

22.3 Financial Performance Targets

The BSO is required to ensure that it breaks even on an annual basis by containing its surplus to within 0.25% of RRL and Income

	2021	2020
	£000s	£000s
Net Expenditure	(61,410)	(43,351)
RRL	61,479	43,398
Surplus/(Deficit) against RRL	69	47
Break Even cumulative position (opening)	1,570	1,523
Break Even cumulative position (closing)	<u>1,639</u>	<u>1,570</u>

RRL and Income

RRL	61,479	43,398
Income per note 4.1	259,020	116,652
Total for inclusion in materiality test	<u>320,499</u>	<u>160,050</u>

Materiality Test:

	2021	2020
	%	%
Break Even in year position as % of RRL and Income	0.02%	0.03%
Break Even cumulative position as % of RRL and Income	0.51%	1.00%

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 23 EVENTS AFTER THE REPORTING PERIOD

There are no post balance sheet events having a material effect on the accounts.

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 8 July 2021.

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