



Business Services Organisation
Annual Report and Accounts
For the year ended 31 March 2023

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*Laid before the Northern Ireland Assembly under the Health and Social Care (Reform) Act
(Northern Ireland) 2009, schedule 3, paragraph 10(5) by the Department of Health on
4 July 2023*

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Section A

PERFORMANCE REPORT

Message from the Chair



Ms Julie Erskine

Chair

Welcome to our (BSO) Annual Report and Accounts 2022-23. As Chair and on behalf of the BSO Board I would like to express our gratitude to all Staff at every level. The Board acknowledges the enormous efforts made by many individuals and teams, in delivering our services across the organisation. The dedication and professionalism shown by staff plays such a significant role in supporting the wider focus across Health and Social Care and we thank them sincerely for their tremendous efforts.

I would also like to thank my executive and non-executive Directors and Senior Management Team for their steadfast support and leadership throughout such a challenging period.

We have seen significant changes to our Senior Management Team over the last 12 months with the appointment of Karen Bailey from her Interim Chief Executive position to permanent Chief Executive, the retirement of Mark Bradley - Interim Director of Customer Care & Performance and the appointment of Karen Hunter - Director of Strategic Planning and Customer Engagement.

Strategic Priorities

Throughout this year, the Board has continued to oversee the delivery of the organisation's priority areas, as set out in our Corporate Plan 2018-2023. The BSO Corporate Plan was approved by the Department of Health in 2018 and set out our values and objectives over the 3-year period up to 31 March 2021. In light of the difficulties and pressures experienced across the HSC arising from the pandemic, the DoH agreed to a further extension of the current Corporate Plan for 2 years until 31 March 2023. This will allow time to refocus across Health and Social Care before we begin the process of developing new plans.

Board Engagement

The Board has continued to engage positively with staff and key stakeholders throughout the year, through a series of meetings and presentations, some of which are highlighted below:

May 2022	<ul style="list-style-type: none"> • Board received a presentation on the BSO Digital Strategy for 2022-27 which set out a clear roadmap on how to transform and innovate the delivery of digital transformation across HSCNI • A number of Non-Executive Directors undertook refresher training on Recruitment and Selection
June 2022	<ul style="list-style-type: none"> • The Board had pleasure in welcoming Karen Bailey on her appointment as Chief Executive • The Chair completed the annual appraisal process for Non-Executives for 2021-22 in June 2022 • The Chair attended the launch of the NIAO Good Practice Guide on Board Effectiveness • The Chair attended a fraud academy event hosted by PWC protecting organisations from fraud risks especially around the area of Cyber Security
August 2022	<ul style="list-style-type: none"> • The Board received a presentation by the Head of the CEC which provided an overview of the HSC Clinical Education Centre • Professor Dorothy Whittington, BSO Disability Champion presented the Annual Progress Report on the Implementation of Section 75 and the duties under the Disability Discrimination Order to the Equality Commission for 2021-22 • The Permanent Secretary visited Recruitment Shared Services Centre in Armagh and received an in-depth presentation
October 2022	<ul style="list-style-type: none"> • The Permanent Secretary visited Accounts Payable Site and HSC Pensions respectively • The Interim Chief Legal Advisor presented a briefing paper on the implications for BSO following the launch of the UK Covid Enquiry
November 2022	<ul style="list-style-type: none"> • The Board undertook a refresher training session on Equality Awareness
December 2022	<ul style="list-style-type: none"> • The Board received an update from Interim Head of Programme Delivery ITS Melissa Cochrane on the portfolio of large IT Programmes • A number of Senior Executive recruitment exercises were undertaken for the positions of BSO Director of Operations, BSO Director of Strategic Planning and Customer Engagement and Director of Digital Operations

	<ul style="list-style-type: none"> • A number of Board members attended a training session on Cyber Security Awareness
February 2023	<ul style="list-style-type: none"> • The Initiation of Phase 2 of the BSO Review commenced and an update was provided to the Board on the planned transformation journey for BSO over the next five years

Board roles, responsibilities and moves during 2022-23

The Board of the BSO is made up of a combination of Directors, Executive Directors and Non-Executive Directors. The Board is chaired by myself 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 and is the Investors in People Project Champion
- Mr Sean McKeever chaired 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 Mark Campbell undertook the role of the Whistle Blowing Champion during the period of this report
- Mrs Karen Bailey was appointed from her Interim Chief Executive position to permanent Chief Executive in June 2022
- Mr Martin Bradley was appointed as Interim Director of Operations on 1st March 2022
- Mr Mark Bradley, Interim Director of Customer Care & Performance retired on 31 March 2023
- Under the BSO Review arrangements Karen Hunter was appointed Director of Strategic Planning and Customer Engagement on 1 February 2023

Looking ahead to 2023-24 it is worth noting that in February 2022, Northern Ireland entered a critical political phase, due to the resignation of the First Minister which subsequently resulted in the collapse of the NI Executive which continued to be case throughout 2022-23.

A consequence of this was the delay to the implementation of a three-year health budget which is vital to supporting the transformation of our health services.

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 HSC to develop the new Plan.

A handwritten signature in black ink, appearing to read 'J Erskine', written in a cursive style.

Ms Julie Erskine

Chairperson

31st March 2023

Message from the Chief Executive



Karen Bailey
Chief Executive

My mission as Chief Executive is to create the environment, culture and resources that allow BSO teams to provide high quality, value-adding business and specialist professional services to our partners across the Health and Social Care Sector.

I would like to acknowledge the dedication and commitment of BSO staff who have continued to strive for excellence and have been recognised locally, regionally and nationally.

I must also pay tribute to an extremely supportive BSO Chair and Board and to my fellow HSC Chief Executives with whom I have developed close collaborative working relationships.

This Annual Report covers the period 1 April 2022 – 31 March 2023 and reflects a strong performance against our Business Plan objectives on which you will find a detailed report from page 22. We have once again seen many achievements, successes, and developments over the course of the past year, many of which are acknowledged within the report.

The significance of this work has not gone unnoticed, and I was delighted to see the new Permanent Secretary, Peter May visit our teams in Recruitment (Armagh), Accounts Receivable (Ballymena) Pensions (Waterside House Derry/Londonderry), Leadership Centre (The Beeches Belfast) and Information Technology Service ITS (James House Belfast). Peter was eager to learn more about what we in BSO do, and how we make a difference every day to staff, patients and clients alike. The teams loved having the opportunity to showcase their work and achievements and I plan to extend this to all parts of BSO

BSO is making strategic leaps to improve and evolve, ensuring services are reflective of the needs expected of our health and social care services regionally. Following a strategic review, the BSO has restructured to become more customer focussed and to attract develop and retain the talented professional workforce needed to support the HSC.

I am delighted to welcome a number of new Directors and senior managers into post this year which will provide much needed stability and vision. This includes Karen Hunter, Director of Strategic Planning and Customer Engagement who joined in February 2023 and Lesley Young, Director of Operations who will take up post on 1st April 2023. I welcome these new additions to the new BSO Senior Management Team and look forward to working with them as we continue to implement the recommendations of the Review.

I must take this opportunity to highlight our colleagues and stakeholders, who manage the various contingency issues we face each year. Strategically and tactically, I have been extremely impressed and inspired with their ability to provide services that benefit the public, whilst dealing with unplanned challenges and issues. I wish to recognise the quality of all your work that ensures we continue to deliver high quality services.

September 2022 saw the implementation of the BSO Pilot Hybrid Working Scheme which will run until 31 December 2023. As this is a pilot, the organisation will review the benefits/issues staff have raised as a result from working from home two days per week. Through doing so we will also address some of the challenges of home working which BSO employees, our stakeholders and customer base face, including: performance; day to day communication; social isolation; general anxiety, which are amongst some of the key areas that we as an organisation need to explore and understand better as we evolve into new ways of working that will allow us to attract a modern workforce. In tandem the organisation will seek to modernise its physical and digital estate to provide *a great place to work*.

As part of the investment in workforce BSO subscribes to investors in People and has attained Silver Accreditation twice. In December 2022 HR Representatives met with our IIP consultant for our 12-month review. This meeting was an opportunity for IIP to check in on what has happened since the full assessment in December 2021. In an open and honest discussion our IIP Consultant explored our achievements in the previous 12 months, any improvements we have made following recommendations in the 2021 Outcome Report and any challenges faced by the organisation. Some topics covered include; the BSO Strategic Review, the establishment of a new Communications Team, Hybrid Working, Health & Wellbeing focus, Appraisals and Learning & Development, and the development of our new People Strategy.

BSO received positive feedback in relation the Investors in People assessment with Stephanie McCutcheon, IIP Consultant reporting:

“It’s clear to see your commitment to further strengthening aspects of people management and development in the organisation, with many of the actions taken and planned drawn from assessment feedback. We’re due to catch-up for our 24-month accreditation review meeting in December 2023, and look forward to hearing about how you’ve been getting on”.

BSO is proud to continue to monitor and improve our people practices. We look forward to taking part in this assessment again as we strive to make BSO an organisation people want to join and develop in.

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.

A handwritten signature in cursive script that reads "Karen Bailey".

Ms Karen Bailey
Chief Executive
31st March 2023

Purpose and Activities of the Organisation

The Business Services Organisation is a Non-Departmental Public body (ALB) which came into existence on 1 April 2009. The Business Services Organisation is governed by Statutory Instruments: HPSS (NI) Order 1972 (SI 1972/1265 NI14), the HPSS (NI) Order 1991 (SI 1991/194 NI1) and the Audit and Accountability (NI) Order 2003, the Health and Social Care (Reform) Act (Northern Ireland) 2009, the Health and Social Care (Amendment) Act (Northern Ireland) 2014 and the Health and Social Care Act (Northern Ireland) 2022.

Services are provided to 10 Arm's Length Bodies of the Department of Health and the Northern Ireland Fire and Rescue Service, 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



£3.2M

Legal Debt Recovery



Over 119,000 Interpreting Service requests processed



Over 66,000 CEC applications received Programme



84,068

Activities completed by the Business Services Team



2.1 m

Total Invoices paid



1,228,250 Dental Claim forms processed



535k

Pension payments made



44.1 million

Prescription items processed



36

People commenced HSC Leadership Programme



709,479

Ophthalmic claims processed



520 Overseas nurses welcomed to HSCNI



Recruitment Centre supported the HSC to fill

10,976 posts



125,000

HR SharePoint site hits



4,500

Counter Fraud and Probity – Patient Exemption Checks



£477m

Income Debt Recovery



125,548

Hour's spent providing Legal Support to HSC Clients

Corporate Mission, Values and Objectives

Our Mission:

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

Strategic Objectives and Values 2018-23

In order to help us fulfil our Mission, our Corporate Objectives for the period 2018-23 are to:

1. Deliver consistent, high quality services that add value to our customers.
2. As a trusted partner, co-develop our services with our customers.
3. Work smarter, to continually find more demonstrably efficient and effective ways of working with our customers and the Department of Health.
4. Offer exciting and rewarding opportunities for our people to develop and grow their careers.
5. Initiate, enable and support improvements in the health and social care in Northern Ireland.

Our Values will be aligned to 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 2018/23 is diagrammatically represented below.



Corporate Mission, Values and Objectives 2023/24

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



We Value

Working Together

Excellence

Openness & Honesty

Compassion

We Aim To....

Corporate Response

By 2024, we will....

Deliver consistent high-quality services that add value to our customers

- Implementation of BSO Strategic Review Action through:

- Have demonstrated delivery of a High Quality, Efficient Service Offering to HSC, contributing to improved Health and Well-being

As a trusted partner co-develop our services with our customers

- Organisation Design
- Workforce Strategy and Capability development
- Cost & Operations Management

- Have demonstrated our ability to Add Value in Partnership with our Customers and responded to the challenge of Public Sector Shared Services

Work smarter, to continually find more demonstrably efficient and effective ways of working with our customers and the Department of Health

- Operational Planning
- Transformation and Customer Service Ways of Working
- Digital Strategy

- Have embrace Digital Solutions and opportunities to Transform Our Services
- Be Recognised as a Skilled, Professional Workforce and an Essential Partner in Effective Healthcare Delivery

Offer exciting and rewarding opportunities for our people to develop and grow their careers

Initiate, enable and support improvements in Health and Social Care in Northern Ireland

Good Governance

Social and Environmental Responsibility

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

Strategic Issues, Risks and Challenges

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 developments which occurred during 2022-23 which will affect future plans for the BSO have been outlined in the Chair and Chief Executive's Statement.

A number of specific risks were identified during 2022-23, namely the Industrial Action due to the short-term risk to the delivery of our services, as a result, each service area was required to update their Business Continuity Plan. Other risks include the challenges around the delivery of programmes such as the encompass programme and services to our customers for example, Recruitment. 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 the BSO Board throughout 2022-23.

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 2022-23 to ensure it remains up to date. Further detail concerning

Risk Management processes, issues and challenges to BSO in 2022-23 and anticipated future issues is contained in the Governance Statement section of this document.

The Customer Care and Performance (CCP) Team, in conjunction, with the Data Protection Officer is currently scoping a joint Governance and Risk Training as part of a wider review of Risk Management requested by SMT. Risk management is integral to the training for all staff both at induction and in service. BSO ITS also continue to manage and support any regional cyber related incidents.

BSO Review Update

A strategic review of BSO took place in 2021. In the summer of 2022 a programme plan was initiated to implement the out workings of the review. The review recommended a new organisational structure:

- Finance Directorate
- HR and Corporate Services Directorate
- Strategic Planning and Customer Engagement Directorate
- Operations Directorate
- Digital Operations Directorate

Two new Directors were appointed to lead the Operations and Strategic Planning and Customer Engagement Directorates. The Director of Strategic Planning and Customer Engagement assumed her new position in February 2023 and the new Director of Operations will begin her post in April 2023.

The implementation of the BSO strategic review has also seen the development of a Corporate Communications Strategy, People Strategy, Customer Engagement Strategy, and a new Corporate Performance Management Framework, as well as a new approach to our business planning processes. These will be rolled out during 2023.

PERFORMANCE ANALYSIS

Performance Analysis 2022-23

The current BSO Corporate Strategy covers the five-year period from 2018-23 and includes our Strategic Objectives, Mission and Values.

During 2021 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 two additional years, until 31 March 2023. 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 2022-23. 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'. 65.3% of our stated objectives were achieved within the 2022-23 year, as collated and outlined within the quarterly and Annual Performance against Business planning updates.





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; and
- 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.

Traffic Light System Rating

The Traffic Light System is a summary of progress to date and an indication of the level of confidence that the 75 key actions identified in the Business Plan will be delivered by the completion date.

Traffic Light BRAG Rating Description Key	
RED 	Action forecast to be or has been delivered significantly (i.e. in excess of one quarter) outside completion date <p style="text-align: center;">or:</p> significantly outside agreed tolerance level (e.g. on Corporate Scorecard).
AMBER 	Action forecast to potentially be delivered outside of the original completion date but within the timeframe of the annual business plan <p style="text-align: center;">or:</p> outside agreed tolerance level (e.g. on Corporate Scorecard).
GREEN 	Action forecast to be delivered by the completion date <p style="text-align: center;">or:</p> within agreed tolerance level (e.g. on Corporate Scorecard).
BLUE 	Action complete

Corporate Objective 1: Deliver High Quality, Valued Services to Our Customers		
Key Priorities/Targets	Key Actions	R/A/G rated performance
Support the ongoing implementation of the regional Equip Programme to replace FPL and HRPTS systems through provision of BSO resource	a) If required, develop contingency plan in partnership with DHCNI to allow the Equip Programme team to continue in 2022 – 2023; ongoing to 31st March 2023	Contingency Plan actioned for April – May 22 OBC approval obtained 11 May. Contingency plan stood down
	b) Ensure Programme funded BSO corporate resource (HR / Finance / Legal / Procurement) is available to support the Equip Programme; ongoing to 31st March 2023	HR- FT resource required at senior level to replace junior HR resource – Agency staff may be required in short-term: Finance: P/T resource filled by Agency staff; continuity issues due to Agency staff changes while permanent post recruited Legal: internal resource not available for one procurement; appointed external legal resource with DLS overview; PaLS – Band 8a Lead in post, vacancy at Band 7; 1x Band 4 role in post – structure to be reviewed given current workload
In conjunction, with Encompass SRO, HSC organisations and Encompass Governance bodies, continue delivery of the agreed Encompass plan	a) Develop and agree resourcing proposal for BSO support of Encompass by 30th April 2022	Growth proposal complete and submitted at the end of July 2022

	b) Identify and source key business partners and resources required across all BSO business areas to support the delivery of the Encompass plan by 31st July 2022	Approval for the encompass Business Case Addendum, and therefore funding for resources required was received on 16 th December 2022. Work is ongoing in relation to recruitment of the identified and funded positions
To support clients across Health and Social Care with organisation development, including leadership and management development, transformation and change, quality improvement and talent management	a) To work with the SRO of the project to source and implement a Learning Management System (LMS) for the HSC by 31st October 2022	System is live and all staff accounts have been migrated. Content migration continues and learner history migration is being tested At March Project Board it was agreed that 'go live' would be delayed by 3 weeks to the week beginning 24 th April 2023 to enable final testing to be conducted from 3 rd April 23. This was agreed regionally by all Trusts
	b) Organisational Development plans in place with HSC Trusts, Arms-Length Bodies and NI Fire and Rescue Service, allowing activity to be programmed from 1st April 2022	Organisational Development Commissioning Plans are in place, with work having commenced in 1 st April 2022. Monthly SLA meetings take place to monitor activity
Deliver a Contracting Programme on behalf of HSC for 2022-23 adhering to current regulations and minimising successful legal challenges	a) Ensure that bi-monthly and monthly monitoring meetings are held with Senior Procurement Managers: ongoing to 31st March 2023	Bi-monthly monitoring meetings are held with all SPMs, and this ensures that the contracting programme is on schedule, or that any issues can be dealt with

Build resilience throughout all services within the Procurement and Logistics Service (PaLS)	a) Ensure that any disruption to the supply chain is adequately managed: ongoing to 31st March 2023	This situation is continuing; however, the levels have significantly increased since Jan 2022 (approx. 100% higher than in 2021). PaLS are working collectively with 4 Nations and DOH on some critical disruptions. PaLS are monitoring service level targets on a weekly basis against Corporate and customer targets
	b) Implement Supply Chain Resilience Procurement Policy Note (PPN) ongoing to 31st March 2023	PaLS Procurement have begun to implement this PPN There are two aspects to this, in terms of retrospective Contracts and prospective Tenders. Due to resource (human and financial) constraints, PaLS have not commenced the retrospective contracts element. PaLS have instigated a project to which will develop a toolkit for use in assessing the criticality of products and the level of supply chain resilience to be built in to future tender exercises A presentation has been provided to local Trust Procurement Boards, advising of progress and their role
	c) Annual Test of Business Continuity Plan ongoing to 31st March 2023	PaLS were planning to test the BCP in 2022/23, however, on 4 th August 2022, we had an outage which forced the BCP into operation for 11 days.

		Currently we are reviewing the BCP to close any gaps which were found during the incident. An action plan has been developed, and these are being monitored. A 'Lessons' Learned' has been submitted corporately to BSO
	d) Inclusion of Cyber Security Protocol into Contracts; ongoing to 31st March 2023	The CS risk assessment Protocol has been developed collectively by BSO ITS and PaLS. This is being used across all upcoming tenders in ICT, G&S and SCP
To meet required service level targets for FPS contractors in line with customer Service Level Agreements	a) 100% of payments to FPS contractors processed on time by FPS in accordance with Service Level Agreements	All FPS Contractor payments have been made in line with FPS SLA with SPPG
Develop a Financial Plan with the object of achieving the financial breakeven and capital resource limit targets	a) Develop a Financial Plan for Board approval by 31st May 2022	Completed and shared with SMT and BSO
	b) Develop the roll forward budget and communicate to SMT and budget holders by 31st May 2022	Completed and shared with SMT and BSO
	c) Complete a Mid-Year Assessment and communicate to SMT by 30th November 2022	Completed and shared with SMT and BSO

	<p>d) Progress implementation of outstanding External Quality Assessment recommendations for Internal Audit by 31st March 2023</p>	<p>The External Quality Assessment reported that BSO was compliant in 60 out of 62 areas. For the two areas where recommendations are outstanding, assurance mapping and assurance providers, a significant amount of work has been undertaken to progress the implementation hence this action is complete. Further work is ongoing to fully implement these two recommendations</p>
<p>Completion of the Annual Year End Financial Statements for BSO, in line, with DOH guidance and engagement with NIAO/ PWC/ASM and support the GAC throughout the year. Work in partnership with CCP to include the year end accounts in the BSO Annual Report</p>	<p>a) Ensure that the annual external audit strategy is presented to the BSO GAC by 31st January 2023</p>	<p>Completed and submitted to GAC in January 2023</p>
	<p>b) Engagement meeting with external auditors ASM/ PWC and support communication and engagement with BSO managers: ongoing to 31st March 2023</p>	<p>Completed and engagement completed in February 2023</p>
	<p>c) Present the audit plan to SMT, Assistant Director Forum and Senior Finance Team by 28th February 2023</p>	<p>Completed and submitted February 2023</p>
	<p>d) Development of internal finance year-end financial statements plan in partnership with PWC/ASM by 30th June 2023</p>	<p>Ongoing and on target for completion</p>

	e) Present the year-end accounts to the Board by 30th June 2023	Ongoing and on target for completion
	f) Work in collaboration with CCP to support the inputs to the BSO Annual Report; 30th June 2023	Ongoing and near completion
	g) Quarterly meeting with BSO Governance and Audit Committee: ongoing to 31st March 2023 and beyond	All meetings completed to date
Work in partnership to develop and embed the new Strategic Planning and Performance Group (SPPG) arrangements in relation to staff required to be hosted in BSO as a result of the closure of the HSCB	a) Lead on embedding culture and people work within SPPG, including a lead role in the Organisation and Workforce Development Group for SPPG by 31st March 2023	Ongoing via SPPG Ambition People Strategy 2022-2024 SPPG OWD Forum established Meets monthly
	b) Report on effectiveness of staff Migration Action Plan and Framework by 31st March 2023	All staff successfully Migrated to SPPG on 1 st April 2022. Migration closure report paper submitted July 2022
	c) Continue with Oversight Board to ensure all areas of BSO monitor the impact of the SPPG arrangements: ongoing to 31st March 2023	BSO has fully participated in the Oversight Board and has ensured BSO views were represented and taken into account in all decision making with regards to the migration of HSCB to DH/BSO

	d) Review and monitor the out-workings of the Memorandum of Understanding to include the updating of the Management Statement and Financial Memorandum (MSFM); ongoing to 31st March 2023	From 1 st April 2022 the staff of the former HSCB became employees of the BSO under a hosting arrangement with the Department enabling them to retain their existing terms and conditions of service. MSFM has been reviewed.
Implement Pension Scheme changes regarding Annual Allowance Legislation and the impact of the McCloud Remedy	a) Implement and obtain approval of the Outline Business Case in relation to McCloud Remedy by 30th April 2022	Approved by the DOH and the DOF
	b) Issue communication literature by 30th September 2022	Scheme members informed through website, seminars, and one to one consultations of any changes in legislation
	c) Recruit additional resources by 30th September 2022	Recruitment exercise underway for the new project team for McCloud Remedy and now at final stages offering posts
Scope and determine the Cyber Security accreditation model to ISO 27001 cyber security standard or Cyber Essentials plus to secure key services and meet the requirements of EU NIS legislation as a part of the regional Cyber Security Programme	a) Agree Cyber Security Certification Plan by 30th April 2022	The Strategic Outline Case has been submitted which sets out the deliverables required to meet the objective, therefore the plan is in place. Awaiting approval from DOH

<p>Ensure HSCNI customers and BSO are facilitated to complete the review of their Equality and Disability Action Plans and to develop new plans</p>	<p>a) Develop Project Plan by 30th June 2022</p>	<p>Target date for submitting new plans to the Equality Commission was revised in agreement with clients and this has been pushed back by 6 months to a new date of 30th September 2023</p>
	<p>b) Facilitate review and development of new plans 31st March 2023</p>	
	<p>c) Co-ordination of public consultation on the plans and consideration of feedback by HSCNI customers and BSO by 31st March 2023</p>	<p>All 10 consultation documents were issued to clients by 15th February 2023. BSO draft Plans were approved for consultation by SMT on 2nd February 2023. Consultations will begin in April 2023</p>

Corporate Objective 2: Develop Our Services in Partnership with our Customers		
Key Priorities/Targets	Key Actions	R/A/G rated performance
To design and develop a range of multi-professional programmes reflective of the needs of the HSC and wider workforce aligned to Departmental priorities and commissioning directives	a) Continue to link with HSC Trusts, NIMDTA, NISCC, NIPEC, DoH and PHA to build on existing relations and opportunities for collaborative work and development of multidisciplinary working; ongoing to; ongoing to 31st March 2023	CEC continue to work with other agencies to design and develop multi professional education programmes to meet the learning needs of the workforce. For example, in the development of eLearning packages such as falls awareness
	b) Monitor attendance rates and professional background of participants attending Clinical Education Centre programmes; ongoing to 31st March 2023	Clinical Education Centre monitors on a monthly basis with a full analysis being carried out every 6 months. This analysis is shared twice a year with key stakeholders such as Trusts and DoH
	c) Work in partnership with core clients, Chief Nursing Officer and Chief Allied Health Professional Officer (DOH); ongoing to 31st March 2023	CEC continues to work in partnership with clients/customers and the DoH The Head of CEC meets with the CNO and Chief AHP Officer on a regular basis
	d) Liaise with DoH and Clinical Education and Advisory Group; ongoing to 31st March 2023	CEC continues to engage with the CEAG on a six-monthly basis. A meeting was held in November 2022 and a further meeting is scheduled for May 2023

To continue to work with the Department of Health to review the current Nursing and Midwifery and Allied Health Professional Service Level Agreements. Ensure the calculation, client-groups and funding is agreed	a) Continue to monitor and analyse current SLA activity to help inform the way forward by 31st March 2023	In the first quarter of 2022/23, CEC agreed the updated SLA calculation with customers Since then activity has been monitored against this and the Centre will achieve around 100% at year-end
	b) Analyse workforce data across Northern Ireland to help inform proposed new SLA requirements by 31st March 2023	Complete. Ongoing monitoring of SLA usage against the updated SLA calculation
	c) Once DoH has agreed final sign off, the new model will be developed and shared with key stakeholders by 31st March 2023 Responsibility: Head of Clinical Education Centre <i>Note: these timescales are pending the review of the post registration education business model which has been commissioned by the Department of Health</i>	Phase 1 completed – i.e. Workforce Headcount updated Phase 2 will further streamline calculation; however, this has not begun due to awaiting approval of the DoH review report of post registration education commissioning
Continue to expand, develop and improve HSC Digital in partnership with the SRO and Programme Board	a) Obtain confirmation from DHCNI that the appropriate affordability arrangements are in place to pursue the HSC Digital Programme by 30th April 2022	Business Case fully approved in August 2022
	b) Set up an internal BSO Oversight Board to oversee and develop this significant growth	ToR agreed with Chair (Director CCP) August 2022

	proposal by 30th April 2022	
	c) Provide quarterly updates to the Business and Development Committee and BSO Board in relation to the progression of the HSC Digital Programme: ongoing to 31st March 2023	Quarterly updates continue to go to BDC in relation to the HSC Digital Programme
Deliver against the agreed Digital Health Commissioning Plan for the new HSC Regional Clinical Systems as directed by the relevant SROs, Programme and Project Boards	a) Deliver on all the funded IT Regional Programmes where funding has been secured: ongoing to 31st March 2023 and beyond	There are currently 3 regional programmes where contracts have been signed and are in implementation phase: NIDIS NIPACS+ NIPIMS These programmes are currently on target to deliver against the milestones agreed at each Programme Board with relevant SROs. NIPACS went live 25 th February 2023. Amber review NIPIMS and Green gateway review for NIDIS.
Implement new technology which will enable improvement, in regard, to the time taken to complete pre-employment checks and identify a pathway for the procurement and implementation of Customer Relationship Management Technology	a) Gain approval to procure suitable technology to manage pre-employment checks through an online platform by 30th June 2022	Successful procurement process completed and supplier awarded contract
	b) To implement the required technology to manage pre-employment checks by 30th September 2022	Software successfully implemented and deployed across HSC

	c) Establish an Improvement Task & Finish Group which will consider the area of communications further including the impact on Manager and Candidate experience by 31st March 2023	Draft assessment report submitted to SMT Thursday 23 rd March 2023 – further direction will be dependent on Service extension proposal
Work, in conjunction, with HSC Staff and Practitioners to roll out successful implementation of new video call booking function regionally	a) Deliver the regionally agreed new technological booking function by 30th June 2022	The system upgrade work to facilitate video call bookings has been completed It is anticipated that the new release should be operational once mandatory security testing is complete
Payroll Shared Service Centre (PSC) to work collaboratively with customers to deliver regional priorities	a) Implementation of Pay Awards and other regional priorities as agreed in detailed plans with the region by 31st March 2023. Responsibility: Head of Shared Services (supported by Head of Payroll Shared Service)	Completed and implemented March 2023
Payroll Shared Service Centre will enable the delivery of appropriate self-service options for customers and end users	a) Implementation of Self-Service functions with guidance as agreed in regional plans by 31st January 2023	Ongoing development and maintenance of Payroll website, ensuring current events and urgent FAQ documents are available on the site for each month, e.g. Agenda for Change and Medical & Dental FAQs for Pay Award currently to enable self-serve query resolution Training video on how to input and amend sickness

		<p>absence placed on Payroll website in January 2023</p> <p>Continued development of Payroll SharePoint site to house information for Finance and HR regional colleagues</p>
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Corporate Objective 3: Demonstrate Continuous Improvement in Pursuit of Excellence		
To implement the out-workings of the BSO Organisational Review as recommended by the Review Team	a) Ensure the plan is approved and signed-off by SMT and BSO Board: by 30th April 2023	Plan approved and signed off
	b) Establish a Project Team to progress and monitor the project; by 31st March 2023	New Programme Manager appointed in February 2023 Project leads identified and Programme Review Board and Programme Oversight Board established to monitor the implementation of the BSO service review plan
	c) Monitor key milestones throughout the implementation process: ongoing to 31st March 2023	Programme plan developed identifying workstream leads and key milestones which are monitored and reported to the respective Review and Oversight Boards
Work collaboratively with ITS, PaLS and stakeholders to implement digital solutions to improve customer experience and protect patient funds through fraud prevention	a) Commence tendering process to select a suitable bidder for the development of a new Case Management System by 30th November 2022	Funding no longer available, therefore, procurement cannot proceed until at earliest, Financial Year 2024-25
	b) To commence the design and implementation phase with the successful supplier for the new Case Management System by 30th November 2022	Funding no longer available, therefore, procurement cannot proceed until at earliest, Financial Year 2024-25
To transform and improve the internal IT infrastructure within BSO as recommended and agreed within BSO's Digital Vision	a) Agree priorities and objectives emanating from the implementation of the BSO Digital Vision; ongoing to 31st March 2023 and beyond	Digital Vision has been added to the BSO Strategic Review, and has been approved and currently

		being implemented over next 4-5 years
Progress the IT Modernisation Project within Directorate of Legal Services	a) Select supplier and commence roll-out of new system by 31st December 2022	Business case has been submitted February 2023 awaiting approval from DHCNI
	b) Produce Statistical Reports using new system by 31st March 2023	Dependent on Business Case approval from DHCNI
Undertake a structural review of ITS, including initiating the “Evolution” Project that includes succession planning, implementing a new organisational structure for ITS supporting “run grow transform” and defining clearer management roles and responsibilities to enable effective delivery of operational services and programmes	a) Appoint new Assistant Director of ITS by 31st May 2022	Completed by 31st May 2022. New AD in post
	b) Develop, engage staff and initiate ITS Evolve Succession Plan by 30th September 2022	This target relates to the ITS Re-organisation (“Evolution”) Project of which there a number of strands. Funding secured for a Project Manager Funding secured to recruit staff to shadow pending retirees Recruitment phase due to commence Staff engagement has taken place on the re-organisation and feedback captured. Ongoing implementation of management of change
The establishment of a Drug Tariff Intelligence Unit (DTIU) within Pharmaceutical Services within Family Practitioner Services	a) Prepare Job Descriptions, job evaluations and finalise the recruitment of all staff by 30th June 2022	Head of service recruited and due to start on 3 rd April 2023. All posts filled except a Band 3 role
	b) Ensure that the DTIU is embedded with Pharmaceutical Services and fully operational by 30th September 2022	Has been developed and signed off

Corporate Objective 4: Help our People excel at what we do		
Annual performance appraisals completed for 2021/22 and agreed personal development plans in place for 2022/23	a) 85% of staff to have had an appraisal of their performance completed and to have a personal development plan in place by 30th June 2022	Revised completion date: 30th September 2022 Target exceeded. By September 2022, 97.72% of staff have had an appraisal of their performance completed and have a personal plan
To support the development and implementation of a strategic approach to workforce planning within the Organisation to ensure that BSO has the right mix of people and skills available to support current and future service delivery	a) To Develop a Workforce Planning Strategy for BSO by 31st March 2023	The Workforce/People Strategy has been drafted and is due to be reviewed by SMT One of the pillars of the Strategy outlines BSO's approach to workforce planning.
	b) To develop and enhance our current workforce information and analytics function in collaboration with our internal and external clients to produce accurate and timely information on an on-going basis by 31st March 2023	A revised workforce report has been developed for BSO and customers
	c) To develop an Action Plan to support the recommendations from the Investors in People (IIP) outcome report: ongoing 31st March 2023	An action plan has been developed. Themes identified have informed the drafting of the People Strategy
Facilitate the growth in BSO services ensuring our accommodation for BSO staff and customers meets demand	a) Carry out detailed surveys on BSO assets incorporating forecast life-cycle costs over 15 years by 30th June 2022	Completed and final document presented to SMT in September 2022

	b) Provide an assessment of the assets needed to deliver efficient, cost effective public services by 30th June 2022	Document due to go to the next BDC Meeting and Board for final ratification
Continue to support BSO and Customers in respect of people and corporate services aspects as result of the continuing impact of the COVID-19 pandemic	a) To implement a Hybrid Working Strategy across BSO/ALBs as required by 31st March 2023	Pilot is underway but will not complete until December 2023 and will require evaluation
Implement priority elements of the Directorate of Legal Services (DLS) Strategic plan for the next 3 years and agree recommendations from the DLS Review	a) DLS will undertake a team based working exercise to be carried out in conjunction with the Leadership Centre by 30th September 2022	The first Legal SMT working exercise was held in the Leadership Centre at the end of May and a further session is arranged for September These meetings will be ongoing
	b) Implementation of a workforce strategy and plan – ongoing to 31st March 2023 and beyond	New transformation Manager in place and drafting new programme plan This will include development of the workforce strategy
	c) Implementation of a finance resource plan; consider alternative funding models – ongoing to 31st March 2023 and beyond	Data analyst is in post since March 2023 and has begun the foundation work on the funding models to support the transformation plan
	d) Commence implementation of a training and development/OD plan – ongoing to 31st March 2023 and beyond	Training Programme has been developed and is being rolled out for Legal

		<p>SMT and Senior Admin team</p> <p>A particular element is the focus on change management</p>
	<p>e) Analyse service requirements to produce an estimation in regard to demand and continue to monitor levels- ongoing to 31st March 2023 and beyond</p>	<p>First DLS Customer Forum took place in February</p> <p>Terms of Reference were agreed. Currently arranging follow up SLA review meetings and agenda items include an estimation of future customer needs and requirements</p>

How did we perform in 2022-23?

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 below:

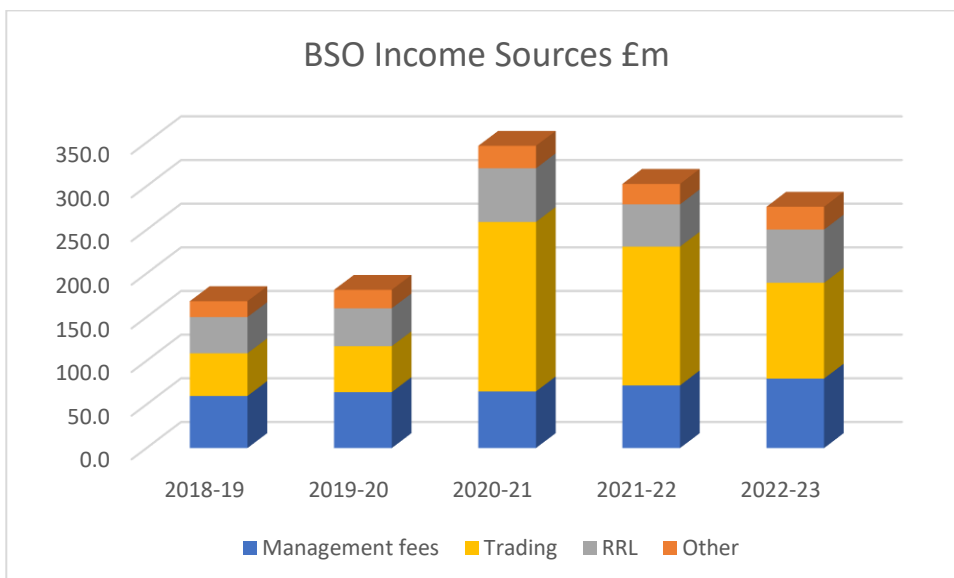
Key Performance Indicator	Target	Performance Results for 2022-23
Average processing time per non-stock requisition (Procurement and Logistics Service)	5 days	3.5 days
% of stock products supplied on 1st request (Procurement and Logistics Service)	95%	92.8%
% of IT incidents resolved within target	90%	92.8%
% of Invoices paid within 10 days	70%	75.6%
% of Invoices paid within 30 days	95%	91.6%
Absence Rate	4.27 days	3.42 days
Conditional Offer to completion of Pre-employment Checks where there is no referral completed within 20 days (Recruitment and Selection)	80%	64.8%
% of Complaints, Data Protection and Freedom of Information requests resolved within timeframe	100%	100%

Long Term Expenditure Trends

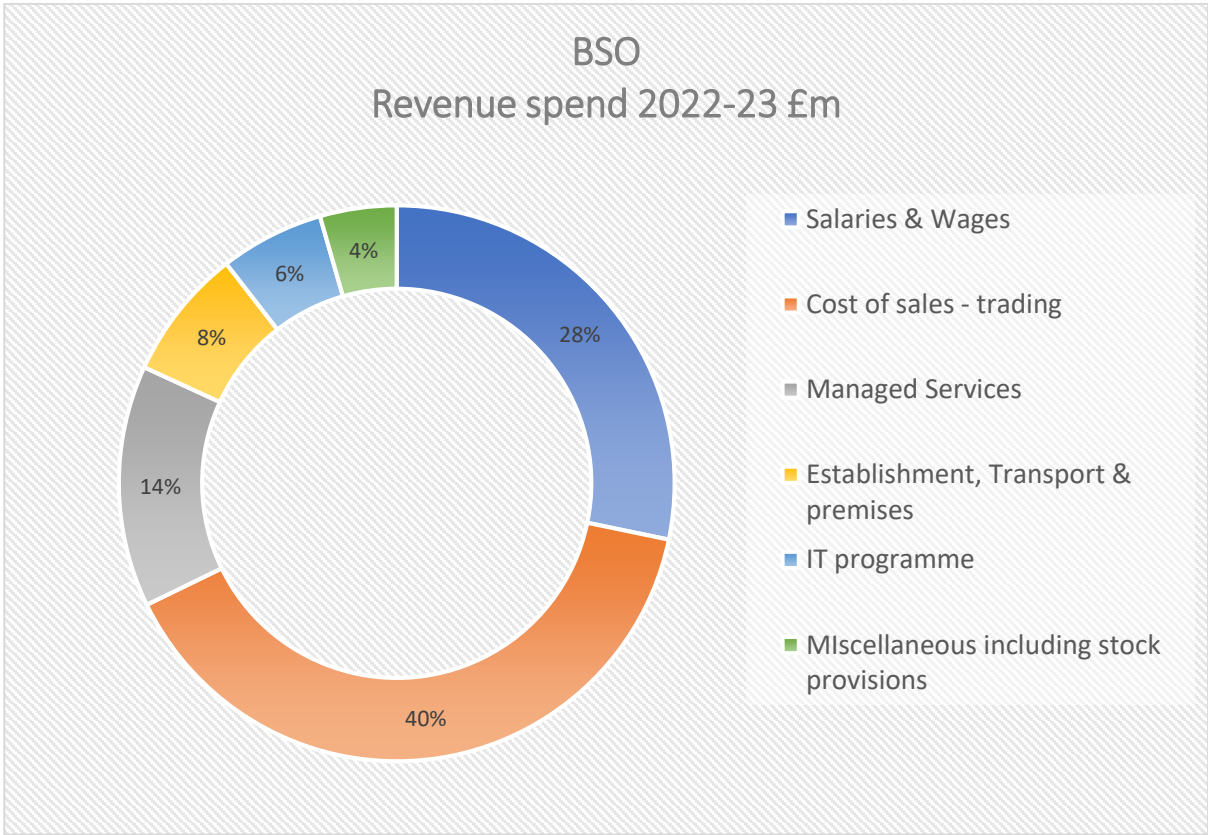
None of BSO's activity would be achievable without the availability of suitable levels and sources of funding. BSO's main source of revenue funding is management fees for the provision of services to HSC customers through service level agreements. BSO also has trading income and related cost of sales with customers relating to the sale of goods and services to HSC. BSO also has an amount of other invoiced income. In 2022-23 this related to ITS Programme, Equip, Evolve and Regional Interpreting services and some additional miscellaneous invoicing across HSC. The remainder of BSO's funding is received from the DoH through Revenue and Capital funding.

Revenue

During 2022-23 BSO received a Revenue Resource Limit (RRL or revenue budget) of £61m which, alongside £215m of income resulted in a total Revenue budget of £276m. BSO performance against this budget was a £45k surplus and BSO remained well within its RRL tolerance levels as set by the Department and detailed within Note 22. Also contained within Note 22 is £36m of budget received in relation to the SPPG hosting arrangement however this is for year-end accounts purposes only therefore does not form part of this trend analysis as it is not within the remit of BSO's budgetary responsibilities. The charts below show BSO income sources over the last 5 years and how BSO spent its available revenue funding during 2022-23.



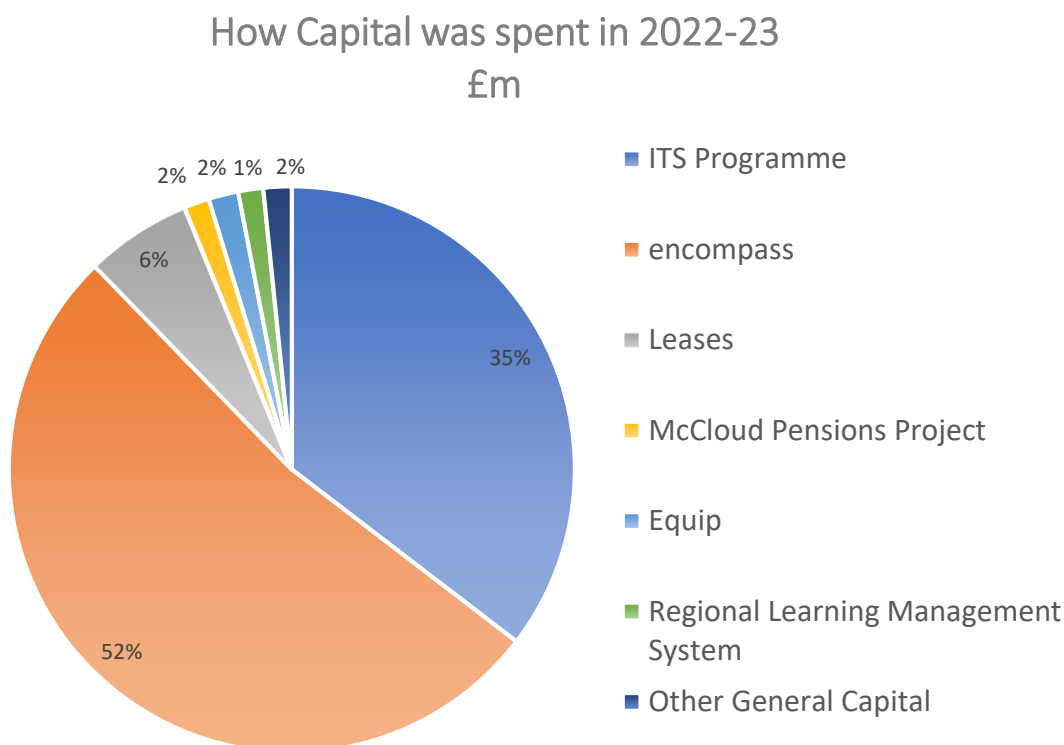
BSO income has increased significantly over the 5-year period however this can be attributed to a significant increase in trading income from 2020-21 due to the impact of Covid and BSO's role in stocking and supplying Personal Protective Equipment to the region. Income from other sources has increased overall with annual pay and prices increases to the SLA as well as growth in some areas of BSO including Recruitment Shared Services, FPS and Legal Services. Management fees are not expected to increase significantly in the coming years as there is no additional funding for growth in the HSC system. BSO has applied a small reduction to the customer SLA in 2023-24 with a cash release to support the savings targets set by DoH. RRL funding has fluctuated over the last 5 years largely due to the impact of Covid-19 and changes in services managed on behalf of DoH which tend to be driven by demand or legislation. In 2020-21 BSO supported delivery of the Covid-19 Childcare scheme of c£3m as well as other Covid-19 pressures of over £2m.



The largest cost is BSO trading cost of sales representing 40% of BSO costs. In terms of expenditure against core funding the largest cost is salaries and wages representing 28% of total expenditure. Expenditure on managed services was higher in 2022-23 due to an additional £10m was paid out in relation to the Infected Bloods Payment Scheme. Other income has increased largely in relation to ITS Programmes funded through DHCNI.

Capital

BSO received an £82.5m capital funding allocation from DoH during the financial year. The chart below sets out how BSO spent its available Capital funding during 2022-23.

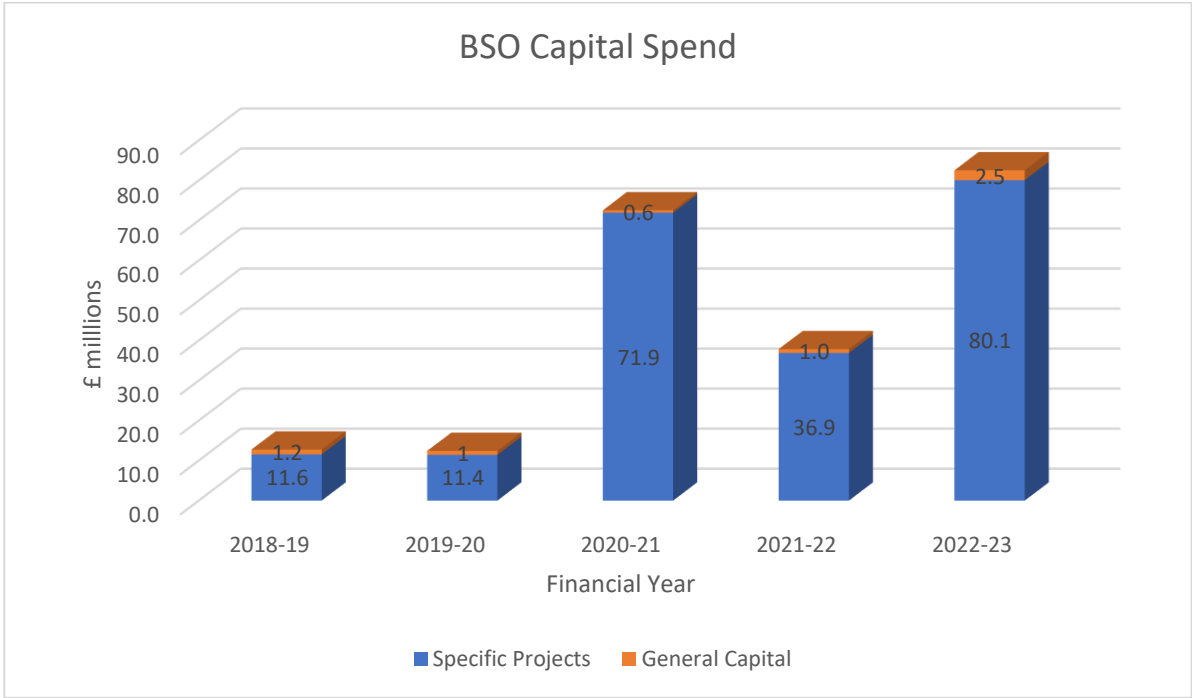


BSO's role in the implementation of the regional encompass programme has resulted in £43.2m (52%) of the total £82.5m capital spend in 2022-23 being attributable to progressing this key digital enablement transformation programme for HSC in Northern Ireland. More information on encompass is contained within the Directors' Report. Capital spend on ITS Programmes accounts for a significant amount of the in-year capital spend of £29.2m (35%). The 2022-23 financial year saw introduction of the change in accounting for leases through revised accounting standard IFRS 16 Leases which led to the need for up-front capital in-year for newly introduced leases. This led to £5m (6%) capital spend.

There were also a number of other capital projects which were progressed in-year such as £1.4m capital spend on initiation of Equip which is a replacement integrated system to deliver a modern and user-friendly system to support the delivery of cross-functional activities within the HSC and progression of a regional learning management system leading to £1.2m capital expenditure.

Additionally, other general capital expenditure was incurred on areas such as the Business Services Transformation Programme, Strategic Business Research Initiatives, PaLS premises improvements, Clinical Education Centre simulator training equipment and staff-related asset additions brought in through the new SPPG hosting arrangement.

The table below shows the five-year trend of capital spend.



The additional investment in capital for ITS programmes in more recent years has enabled initiation of important regional transformation works. This requires continued investment in the future to build upon on the foundations laid towards a better future for HSC in Northern Ireland. The 2020-21 financial year was the first year of BSO capital investment for encompass planning as well as capital monies being received for ITS and PaLS works required in response to the pandemic. BSO remains committed to supporting transformation through capital work and optimising available capital through further development of its Asset Management strategies.

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:

	2022-23	2022-23	2021-22	2021-22	2020-21	2020-21
	Number	Value	Number	Value	Number	Value
		£000s		£000s		£000s
Total bills paid	241,397	333,974	201,938	332,752	141,358	461,014
Total bills paid within 30-day target	237,546	310,337	199,003	306,158	138,350	238,919
% of bills paid within 30-day target	98.4%	92.9%	98.5%	92%	98%	95%
Total bills paid within 10-day target	231,515	262,327	193,866	279,052	133,269	398,478
% of bills paid within 10-day target	95.9%	78.5%	96%	84%	94%	86%

Sustainability Report

BSO aims to demonstrate how sustainability is an essential characteristic within our strategic objectives, operations and policy making.

The Climate Change Act NI 2022 was recently introduced following legal assent in July 2022. Under the Act DAERA has lead responsibility with all Departments required to provide proposals and policies for the reduction of emissions, alongside protection of the environment and the ability to minimise, mitigate or remedy the effects of climate change.

The BSO along with the other HSC Trusts, NIFRS, NIBTS, PHA and SPPG colleagues were invited by the DoH in October 2022 to form the new Sustainable Development Working Group (SDWG).

Reducing Carbon Emissions/Energy Usage

BSO continues to review all systems with a view to improved performance and reducing our costs. We have installed:

- Low energy intelligent lighting
- Tea Boilers which ensures energy efficient management of the boiling cycle
- Automatic Toilet Flush with reduced water capacity
- Automatic Tap Sensors which automatically cut off
- Water blocks which cut off the water supply if left running

It is BSO policy to:

- Minimise raw material use
- Minimise the unneeded use of paper
- Reduce carbon footprint by encouraging carpooling in the workplace
- Promote low carbon transport to reduce environmental impact of transport fleet
- Promote use of video/teleconferencing to reduce business mileage
- Post Display Energy Certificates (DEC's) and provide guidance to managers on how the grading of BSO buildings can be improved
- To reduce environmental pollution by introducing a Cycle to Work Scheme helping staff to purchase a bicycle through a salary sacrifice scheme

- To encourage staff to use public transport by purchasing a transport card on behalf of the employee who will repay this amount to BSO on a monthly basis through salary deductions
- Use recycled plastic where attainable

Waste

The BSO recognises the negative environmental impacts arising from waste generation during our operations. The BSO is committed to implementing an effective and responsible waste management process that meets and ideally exceeds legislative, regulatory and best practice legislation and guidance.

To this extent, it is the BSO policy to:

- Prevent and reduce waste, to reduce pollution and make efficiency cost savings that can be directed elsewhere within the organisation
- Comply with all applicable waste management legislation and other waste management requirements to which it subscribes, as well as to adhere to industry best practice as far as is reasonably practicable
- Manage its activities in a way which prevents and minimises environmental pollution to air, land and water, both at a local and global level
- Provide appropriate waste management training to staff, agency workers, contractors, when appropriate, to optimise their contribution and involvement in reducing BSO environmental impacts

On behalf of BSO, I approve the Performance Report



Karen Bailey
Chief Executive
26 June 2023

Social and Community Involvement



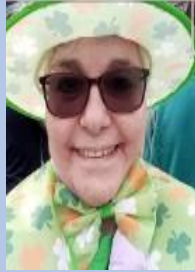
PaLS Boucher Road held a 'Soup Kitchen Challenge', a Health and Wellbeing Initiative for staff in November 2022. Staff got together and created some delicious home-made recipes, sharing the recipes with others whilst promoting good working relationships.

Our December 2022 Festive Foodbank Initiative was a great success. Staff from all service areas across the organisation kindly donated items to help families across Northern Ireland during the Christmas period. Thank you to all staff for their kindness, generosity and enthusiasm.



Social and Community Involvement

Janet Sproule from Corporate Services attended the annual Craic St Patrick's Day 10k on 17th March 2023 "There was a brilliant atmosphere with over 2,600 runners participating from all walks of life and from all over Northern Ireland"



Debbie and Wilma abseiled down the Belfast City hospital tower for the Friends of the Cancer Centre and raised a combined total of £1486.00 through independent fundraising and through Payroll in 2022-23

Adam Daly also organised two events through Mencap, one being the Superhero Dress Up Day and a Christmas Jumper day, I've attached a few pictures of the Superhero Day as there were none taken for the Christmas Jumper event. Through those events we raised a combined total of £345.00 between November and December 2022-23



Experienced runner Roisin Hughes from FPS had huge success in the October 2022 Dublin Marathon completing in an incredible time of 3 Hours and 2 minutes.

Section B

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

BSO Board

Chair

Ms. Julie Erskine

Chief Executive

Mrs Karen Bailey

Non-Executive Directors

Mr Robert Bannon

Mr Mark Campbell

Miss Patricia Gordon

Mr Sean McKeever

Prof. Dorothy Whittington

Executive Directors

Mrs Paula Smyth, Director of Human Resources & Corporate Services

Mrs Karen Bryson, Director of Finance

Mr Martin Bradley, Interim Director of Operations

Directors

Mr Mark Bradley, Interim Director of Customer Care & Performance

Miss June Turkington,
Interim Chief Legal Adviser

Mrs Karen Hunter, Director of Strategic Planning and Customer Engagement

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

Committees of the BSO Board

The BSO Board has established three 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 ASM to carry out the audit of BSO financial statements and also PwC to undertake BSO shared service and IT controls work. The financial statements include a non-cash charge of £169k in respect of preparation of the shared service report and the statutory audit of the 2022-23 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 reported directly to the Chief Executive in 2022-23. These include:

- Head of Interpreting Services
- 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 Interpreting; Clinical Education Centre; Leadership Centre; encompass; and Shared Services' key achievements is included in the following sections.

The Business Services Organisation (BSO) Interpreting Service is commissioned by the Department of Health to provide foreign language interpreting support to approved Health and Social Care providers / Patients in Northern Ireland.

Provision of trained, quality-controlled Interpreters for Patients who do not speak English proficiently is key to ensuring:

- accurate and impartial communication
- the risk of misunderstanding, misdiagnosis and litigation are minimised
- consent is truly informed
- confidentiality and respect for the dignity of service users
- HSC Staff can provide a responsive and efficient service

Key Achievements and Developments in 2022-23

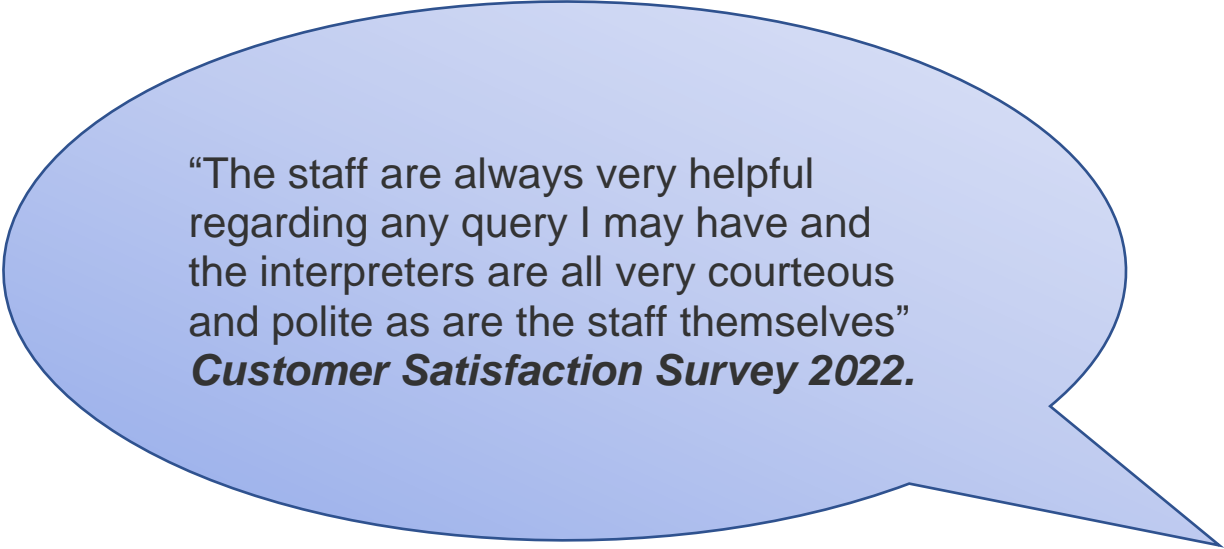
- Over 117,955 interpreting requests processed
- 96.97% interpreting service provision rate
- Since the February 2022 Russian invasion of Ukraine, Ukrainian has become the 14th most requested language – up from 38th at the beginning of 2022. 1884 Ukrainian interpreter requests were processed between 1 April 2022 and March 2023 with 14 new Ukrainian Interpreters registered to meet demand
- 60 New Interpreters were registered during 2022-23 to meet demand for a range of languages including: Ukrainian, Russian, Romanian, Tetum, Tigrinya, Pashto, Portuguese, Italian, Spanish, Polish, Latvian, Slovak, Hungarian, Japanese, Somali, Arabic, Farsi
- Working Well with Interpreters Training delivered to over 100 HSC Trust Staff
- Top Languages: Polish, Arabic, Romanian, Lithuanian and Bulgarian



UKRAINIAN INTERPRETERS' EVENT held on 4 July 2022 at Stormont Estate to recognise:

- (a) the success of newly trained Ukrainian Nationals who completed their training to work as Interpreters in the Health Service and
- (b) the key work of the BSO Interpreting Service who quickly registered 14 new Ukrainian Interpreters (some of whom were newly arrived Refugees themselves) to provide additional interpreting capacity needed in the Health Service





“The staff are always very helpful regarding any query I may have and the interpreters are all very courteous and polite as are the staff themselves”
Customer Satisfaction Survey 2022.

Looking Ahead to 2023-24:

- Further capacity building to ensure provision for key priority languages

The HSC Clinical Education Centre (CEC) designs and delivers post registration education that supports Nurses, Midwives and Allied Health Professionals (AHP) across Northern Ireland to deliver safe and effective care. By working closely and collaboratively with stakeholders, CEC delivers a diverse range of programmes across a wide variety of fields of practice and clinical settings from four sites in Northern Ireland.

The Centre continues to adapt and respond to strategic, corporate and professional priorities, changing education demands and developments across the HSC workforce. Whilst the Centre primarily delivers to the HSC Trusts, educational support has also been provided to other sectors of the wider healthcare system such as Hospices, Care Homes, Domiciliary Care and General Practice.

Key Achievements and Developments in 2022-23:

The CEC has continued to effectively respond to the needs of customers and deliver on its regional requirements throughout 2022-23. In the current challenging context facing Health and Social Care the CEC remains committed to the provision of a high quality, flexible and responsive service to support the Nursing, Midwifery and AHP workforce.

CEC staff

The CEC has continued to build a skilled and dynamic workforce in 2022-23. The introduction of new temporary digital roles reflective of blended teaching methods has been a significant workforce development. The CEC workforce has been supported to continue their professional development, with staff attaining Masters, Post Graduate Certificates in Education (PGCEs) and having key opportunities to deliver presentations, papers and posters at conferences and quality improvement initiatives. Additionally, the CEC is continuing to actively encourage HSC advanced practitioners to develop and deliver programmes with the support of their HSC CEC education colleagues.

CEC Education Programmes



In 2022-23 the Centre delivered 268 unique programmes, some of these were specific strategic requests during the year while others were planned in advance based on customer needs.



The CEC received over 66,000 applications.

In addition to core programmes, the CEC has developed bespoke education programmes in direct response to strategic priorities. Examples include:

- Towards Zero Suicide initiative, *Suicide Prevention Care Pathway programme*
- DoH Enhanced Clinical Care Framework (ECCF) by supporting the education needs of the care home workforce
- Public Health Agency initiatives, such as falls awareness, pressure ulcer prevention and immunisation programmes
- Reflective Supervision Framework and the NI Preceptorship Framework for Nursing and Midwifery, supported through the development of education resources
- Continuity of Care model for Midwifery, through the delivery of a regional webinar
- Inter-departmental Housing Review, through inter-agency education

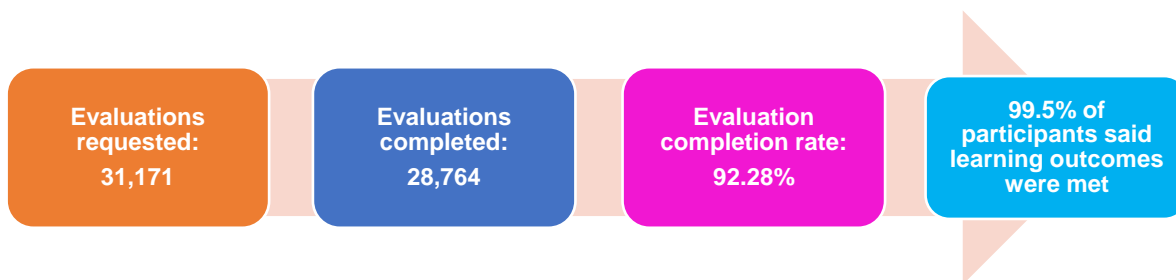
“Adaptability and personal approach to delivering programmes – Allied Health Professional service is excellent”
Customer Satisfaction Survey 2022.

To enhance the learning experience for participants, where appropriate, service users have been engaged to share their stories in education programmes. CEC has also supported education across the four nations and all-island. For example, the all-island Orthoptic Conference.

CEC is continuing to expand the portfolio of multi-professional programmes to support clinical teams in treatment approaches and interventions.

CEC has continued to expand simulation-based education with enhanced simulation resources integrated into a wider range of programmes.

Evaluation data, for programmes delivered between April 2022 and January 2023 showed a response rate of 92.28%. Attendees rated the overall assessment of the programme as 4.62 out of 5.



Looking Ahead to 2023-24:

In considering the year ahead, CEC will:

- Design, deliver and review education programmes in line with customer need/demand and strategic priorities, ensuring programmes are evidence based, relevant and delivered through a range of teaching methods to meet our participants' learning needs
- Continue to work with the Department of Health to review and optimise our allocation of resources through existing business arrangements
- Continue to enhance CEC's education infrastructure in order to deliver blended learning approaches that optimises technology enhanced learning to support the needs of the HSC nursing, midwifery and AHP workforce
- Continue to develop and support a motivated and highly skilled CEC team which will enhance talent management and succession planning
- Contribute to the development and implementation of the regional Learn HSCNI system
- Design, develop and deliver a range of multi-professional programmes reflective of the needs of the HSC and wider workforce aligned to Departmental priorities and commissioning directives

The HSC Leadership Centre is committed to providing products and support to deliver outstanding leadership in Health and Social Care. Our business focuses on three areas:

- Consultancy: working alongside our clients to provide support and products tailored to their needs
- Brochure programmes: a range of leadership and management development programmes, details can be found here: [HSCLC Portfolio - HSCLC Portfolio 22 23 \(pagetiger.com\)](https://www.pagetiger.com)
- Digital Services: a wide range of programmes from basic IT skills, through to the development of innovative digital solutions to support transformation and change

In the past year we have worked with all organisations within HSC and a wide range of other organisations connected to our sector. We are delighted to report every organisation within HSC now has an SLA with HSCLC.

In 2022-23 our portfolio was designed around the system priorities identified by our clients:

- Support redesign solutions and transformation
- Delivering for our people
- Delivering collective leadership in an agile system
- Growing our learning partnerships

Key Achievements and Developments in 2022-23:

A new HSC Commissioning Leadership programme commenced with two cohorts, one in September 2022 and the second in November 2022. The purpose of the new Commissioning Leaders Programme is to focus on the key areas of strategic planning, sourcing, performance monitoring and contract management for HSC professionals working in these areas. The programme is being accredited through the Ulster University at Postgraduate Certificate level. 36 participants commenced the programme.

Other regional programmes on offer include:

<ul style="list-style-type: none">▪ <i>Acumen</i>▪ <i>Proteus</i>▪ <i>Aspire</i>▪ <i>Aspiring Director</i>	<ul style="list-style-type: none">▪ <i>Stronger Together SW programme</i>▪ <i>PG Diploma in Health and Social Care</i>▪ <i>MSc in Business Improvement</i>▪ <i>Success in ICT</i>
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In 2022-23 HSC Leadership Centre has been commissioned to lead on a number of consultancy projects. Some examples include:

1. In 2022, BSO launched a pilot hybrid working scheme. The HSC Leadership Centre is supporting the Senior Leadership Team by conducting a dynamic evaluation during the trial period. Data is collected through a range of metrics across the balanced scorecard. The evaluation assesses the impact and provides regular feedback to the SLT allowing them to make revisions in real time. The HSC Leadership are currently supporting the BSO with implementation of a workstream as part of a strategic review. This project is reviewing the current operational planning process to establish annual planning and forecasting cycle for services.
2. Throughout Covid-19, Midwifery services across HSCNI experienced an increase in women requesting homebirths outside of guidance. The HSC Leadership Centre supported the PHA develop a framework that would act as guidance for healthcare professionals as well as mothers during this period. The HSC Leadership Centre worked alongside two consultant midwives hosting several engagements to obtain feedback from stakeholders and benchmark across other providers to provide recommendations on best practice. HSC leadership centre have completed the framework and the launch will take place in Summer 2023.
3. In 2022, the HSC Leadership Centre hosted a Community of Practice on Collective Leadership. This 2-day event attracted circa 60 attendees including representatives from across the 5 Nations. Participants had an opportunity to hear from strategic thinkers and share the key enablers for Collective Leadership across the respective nations. Participants from HSCNI then used this as a platform to refresh the current approach to the regional Collective Leadership strategy and have commissioned the Centre to work directly with Education Providers and upskill Organisational Development teams in relation to team-based working in NI.

4. Urgent & Emergency Care Review - commissioned by DoH. The purpose of the review is to consult on a new approach to urgent and emergency care services across Northern Ireland. Consultation exercise included both online and public events. HSC Leadership Centre led on the online consultation events which informed final consultation report.
5. Review of Occupational Health and Wellbeing, commissioned by DoH. Contained within the HSC Workforce Strategy Action Plan was the need to 'complete an occupational health workforce review with view to the creation and implementation of a multidisciplinary occupational health workforce plan across the HSC that addresses the impact and learning from the Covid 19 pandemic'.
6. Review of Adult Autism Services – commissioned by DoH to determine adult autism assessment processes and provision of support and intervention across the Health and Social Care Trusts with recommendations for improvements in service delivery.

Key development in our digital activity April 2022-March 2023:



eLearning consultancy

This activity relates to digital consultants engaging with customers to scope, propose, author and launch new elearning courses on the regional elearning platform (hsclearning.com until March 2023 and then LearnHSCNI from April 2023 onward)

- Mental Capacity act second draft to DoH
- Medical Device Management second draft to SET

- Inpatient Testing using Innova Lateral Flow Devices (Regional)

iRLMS Implementation

We have supported the iRLMS Project Manager in the overall project initiation.

The HSC Leadership Centre has completed work for the period that the Principal Consultant (Digital) and Senior Project Manager at the Leadership Centre achieved toward the configuration and implementation of the newly procured LearnHSCNI system which went live in May 2023.

Also participated in Technical workstream regarding non-HSC access requirements and user provisioning for profile population and grouping and the Content Migration workstream to scope and commit resource to regional statutory mandatory training course migration.

Digital Consultancy

We have implemented Office 365 / Power Automate flows to speed up distribution and efficacy of LMS registrations.

We have also unified the HSCLC Programme Evaluation into one MS Form with automation for follow up notifications.

Looking Ahead to 2023-24:

The HSCLC aims to continue building the capacity and capability of the HSC workforce by delivering on its identified priorities of:

- **Transformation, Change and Sustainability**
- **Embedding Collective Leadership**
- **Preparing Future Talent**
- **Developing Shared Learning Partnerships**

This will be underpinned by our commitment to **Equality, Diversity and Inclusion** throughout all of our work.

The centre has also provided a commitment to support our clients and partners in the design, development and implementation of the new Integrated Care System. With the expansion of our digital consultancy team, we are committed to supporting the digital transformation agenda across HSCNI.



HSC encompass Programme

encompass is a HSC-wide programme, working to deliver the digitally enabled transformation of Health and Social Care in Northern Ireland.

encompass, in partnership with HSC and the system supplier Epic, will drive efficiency and productivity gains, increase patient safety through implementation of best practice care pathways, underpinned by functionality such as Electronic Prescribing and Medicines Administration, Digital Care Noting and Referral to Treatment Pathways.

encompass is planning for the system to Go-Live in the first HSC Trust; South Eastern Health and Social Care Trust, on 9th November 2023, before rolling out to Belfast Health and Social Care Trust and the remaining HSC Trusts by the end of 2025.

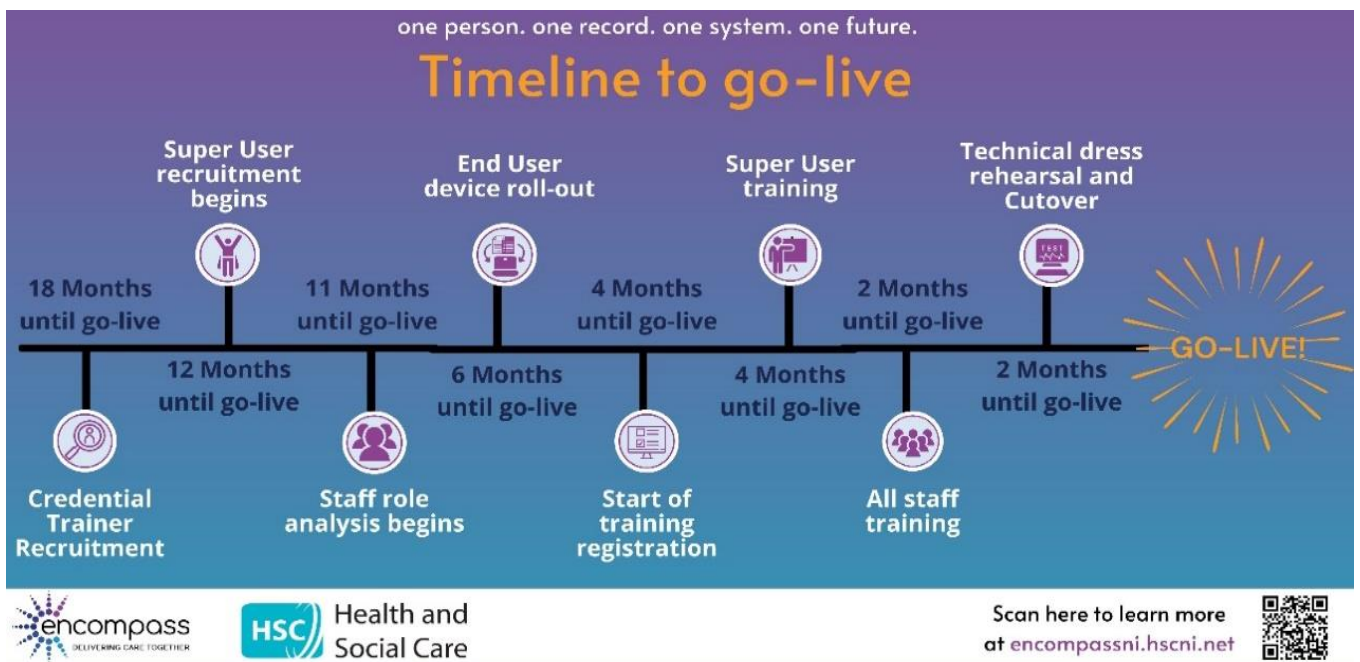
Key Developments and Achievements in 2022-23

The Financial Year 2022-23 has seen large strides forward for encompass following a reignite event in early April 2022.

The Programme has continued to deliver against the core plan and has seen a number of achievements enabling progress into the User & System readiness phase of the implementation and confirmation of the first Go-Live-in South-Eastern HSC Trust (SEHSCT) on 9th November 2023. Some key developments are outlined:

- Development and approval of a Business case addendum to obtain additional funding and resourcing for BSO and HSCNI Trusts to support Programme delivery and success
- Significant progress has been made in system design and build supported by over 4,000 HSCNI Subject Matter Experts (SMEs) through Advisory Councils, Decision Groups and Focussed Content Design Groups and progress has been made in other critical areas such as interfacing and data migration. Initial testing elements have also commenced across these areas

- encompass has undertaken a number of major procurements in conjunction with BSO Procurement and Legal experts including completion of contracting for the system Infrastructure and associated managed service
- Following inventories and site assessments in SEHSCT, procurement has also progressed for the end user devices required to support the use of the system and similar work has commenced in Belfast and Northern Trusts in advance of their implementation dates
- A number of local workshops and site visits have taken place, particularly in the Social Care arena to ensure the solution delivered aligns with the full citizen journey through Acute, Community and Social care services in Northern Ireland. A number of BSO and HSCNI professionals have attended other UK site Go-Lives to support activities and carry forward the lessons learned into encompass and HSCNI planning and readiness
- Readiness activities have been initiated with a 'Readiness Playbook' delivered and key governance groups refocussed on Delivery and Readiness for implementation. This has included work such as Super User identification, with over 1,000 volunteers identified in SEHSCT



Looking Ahead to 2023-24:

2023 will see the first of the Go-Live's for encompass in South Eastern Trust which is a major milestone within the Programme and a culmination of extensive collaboration and involvement from across all HSCNI organisations.

To reach that date, work will continue across all key areas of build, integration, testing, data migration and end user device delivery and a number of key readiness activities will be carried out including manual data migration, technical dress rehearsals and training of the 9000 staff in SEHSCT.

With Belfast HSC Trust Go-Live scheduled in early 2024-25, extensive work will also be undertaken to prepare them and the other organisations for implementation.

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**
- **Payments Shared Services**
- **Income Shared Services**
- **Shared Services Payroll Service Centre**
- **Recruitment**

Key Achievements and Developments in 2022-23:

Financial Year End

BST have successfully co-ordinated the financial year end roll forward in partnership with key finance colleagues across the Trust finance teams. We managed all of the communications including agreement of the timetable and key dates, held regular meetings to continually review and update key stakeholders and re-visited the lessons learned with our stakeholders and own team to take forward lessons learned to further enhance the processes next year.

BST have a number of functions including Systems Admin, Interface Management, Data Maintenance, Change and Specialism and Ad Hoc Reporting.

Systems Administration	Interface Management	Data Maintenance	Change and Specialism	Ad Hoc and Reporting
<ul style="list-style-type: none"> •FPL & associated applications including eFinancials, FPM, Capita •Monthly audit and compliance reports surrounding FPL & associated applications •eRecruitment candidate support •Regional Interpreting Services •SharePoint •Year End roll forward Co-ordination 	<ul style="list-style-type: none"> •Payroll Interface •JAC Interface •Capita Interface •Saffron Interface •Invoice Scanning Interface •Management of interface communications 	<ul style="list-style-type: none"> •FPL Supplier File including data analysis, standardization •HRPTS Master Coding •FPL Master Coding •Facilitation of regional groups including Regional Intergration and Coding and Supplier File Regional Focus Groups 	<ul style="list-style-type: none"> •HRPTS Functional Specialism including testing support •FPL Functional Specialism including testing support •Change Management including capital and revenue investment •Facilitation of CAF 	<ul style="list-style-type: none"> • Shared Services Customer forum reports including production and issue •HRPTS System Upgrades •NHST Staff in post •International Nursing

BST in following organisations structure to meet its operational delivery requirements. BST has following distinct areas, where cross trained teams ensure delivery of services in line with agreed KPIs and SLAs:

- Regional leadership for HRPTS and FPL enhancement by an appropriate investment strategy; Development of business cases and approvals from governing bodies such as

BSF (Trust finance and HR Directors), SPPG for Capital investment profile, and BSO SMT to meet the internal and external audit requirements;

- Ensuring successful implementation and management of change in the business and systems;
- Regional leadership to achieve regional agreements for BSTP (HRPTS & FPL) systems such as standardisation of coding, system audit management, HSC administration policy etc;
- Provide centralised system administration as a 'super user'. Ensure controls are in place and monitoring the implementation of HSC policy;
- Ownership for the accuracy of Master Data in both HRPTS, in particular payroll and Finance information such as supplier file etc.
- Data analysis and Reporting to customers for all Shared Services teams;
- Compliance reporting including Prompt payment;

HRPTS

As part of the HRPTS upgrade Programme, a number of upgrades have gone live in this financial year to ensure system performance these include;

- CLC Patching 2022
- Oracle Upgrade
- BW Upgrade
- Routers & Switches Replacement
- Annual Patching 2022
- Hardware Upgrade



In addition:

-BST Developed smart solutions to enhance business efficiency and effectiveness; such as Prompt Payment and Payroll GL automation, NHSCT SIP, International nursing management solution.

-BST are completing the FPL version 6 upgrade and the programme of works including all components of FPL and Making Tax Digital.

- FPM Form Conversion (Adobe → FPM)
- HSCB Migration to SPPG
- SAP Doctors new pay scales & job codes

equip

Team BST has been the co-lead on the 'systems administration workstream' of equip programme. In collaboration with the Trust Finance Teams, Procurement colleagues and other key stakeholders, BST have ensured that critical system requirements are captured. This will ensure systems meet the required standards and functions needed and result in direct benefits to HSCNI.

Master Data Maintenance



Standardisation

The Supplier File master data project continued to analyse and review large data sets using the latest IDEA data analysis software which highlighted key areas for streamlining and standardisation. BST continued to work with Trust Finance and Accounts Payable for areas of focus which require their expertise and authorisation.

International Nursing

BST streamlined the process of capturing information in the recruitment of International Nurses; delivering efficiencies for both the HSC Trusts and BSO Human Resources. This solution went live in January 2023.

Cyber-attack Recovery and Communication Plan

BST continued to maintain and update the regional cyber-attack communications plan ensuring it contains the very latest contact details in the event of a cyber-attack on HRPTS, FPL or on HSCNI.



Looking Ahead to 2023-24:

FPL Upgrade Programme: efinancials v6 and associated programme of works

Upgrade of all modules of eFinancials from version 5 to version 6; this includes all modules including eProcurement, FPM etc scheduled to go live in 2023-24.

In this next financial year, Capita will be upgraded to version 14 and the making tax digital project will go live.

equip Transition:

BST will support Project equip in planning to migrate to new systems ensuring:

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



Master Data Maintenance

Master data management will continue as a key area of focus as we engage with Project Equip team in the migration to new systems.

Development of Smart Solutions for Regional and Trust Stakeholders to Continue.

Continue to develop capability within BSO to design and implement automation across BAU activities within HSCNI to further increase efficiencies, in support of the BSO Process Improvement Strategy.



Business Services Organisation Shared Services Accounts Payable delivers a diverse range of payment solutions and functions for the 16 Health & Social Care Northern Ireland organisations. Our core obligations are to manage short term and long-term payments on behalf and to our clients and customers.

Core departmental functions are outlined below:

- Document receipt
- Manual payment processing
- Invoice processing
- Control processes

Key IT system used to provide the services are:

- eFinancials
- Finance Process Manager
- DbCapture
- Cloudtrade
- eProcurement

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.

Key Achievements and Developments in 2022-23

- Completed transactional activity in a trusted, accurate, effective and timely fashion

- Delivered a service that met the required service level targets
- Received a satisfactory audit
- National Fraud Initiative Accounts Payable completion and HSC Trust sign off
- Maintained and developed the APSS SharePoint site
- The majority of AP staff have completed the Accounts Payable Association (APA) programme
- Increased Service Provision (NHSCT Nurse Bank Team)
- Reviewed and updated a fully functional Business Continuity Plan
- Further engagement, reporting and training to support HSC Trust customers in reducing off-system payments
- Continued to provide similar or better customer service provision whilst managing the hybrid working policy
- Reviewed/updated supplier file and link and load processes to facilitate making tax digital
- Completion of Phase 2 Special Recognition Payments for non- HSC salaried staff working in the Independent Sector Care Homes, Domically Care provision and Supported Living sectors
- Completion of Phase 2 Special Recognition Payments for agency (contract and non-contract) staff working within the 16 organisations that make up HSCNI
- Provided a lead role in the “Procure to Pay” element of the Equip programme
- Successfully implemented Business Continuity/Contingency Plan to provide continuity of service during the Cyber-attack in August 2023 with the use of contingency plans
- Cloud Invoicing successfully processed 460,000 invoices
- Provided a lead role in FPL V6 Upgrade Project



Looking Ahead to 2023-24

- To transition all offline payment methods to online
- To work with suppliers to improve the accuracy of their invoices and supporting documentation
- To further grow Cloud Invoicing to 500,000 plus per annum
- Continue to promote the staff development programme with the Accounts Payable Academy and progress towards accreditation as a centre of excellence
- Continue to take a lead role in the “Procure to Pay” element of the Equip programme
- To develop a new Accounts Payable Shared Services (APSS) restructure to reflect the continual changes and growth within APSS
- Continuing to provide similar or better customer service provision whilst managing hybrid working
- To take a lead role in the AP element of the FPL V6 Upgrade Project
- Increased Service Provision (Nurse Bank Team)

The Shared Service Accounts Receivable centre is based in the Tyrone and Fermanagh Hospital in Omagh, and has a Centre of Excellence Status. This was first awarded in 2019 by the Chartered Institute of Credit Management (CICM).

The centre provides a CICM Quality Accredited Accounts Receivable service delivery to 16 Health and Social Care Organisations across Northern Ireland.

The SSAR are responsible for:

- Delivery of a high quality comprehensive and customer focused service to all its partners
- Processing and delivering on all aspects of an Accounts Receivable function in a manner which is timely, accurate, and in accordance with good governance principles

Typical services include:

- Invoice request and credit note processing
- Recurrent billing
- Customer account creation/maintenance
- Inter-indebtedness accruals
- Accruals listing
- Debt management (General & Legal Recovery)
- Debt strategy reporting
- Cash allocation
- Cash management
- Operational reporting

Key Achievements and Developments in 2022-23:

Recovered £510m of debt as at March 2023.

Maintaining target in days sales outstanding for HSCNI, demonstrating consistent efforts in fast recovery of public funds and creating a positive impact on HSCNI cash flow, despite the challenges of COVID-19 and the current economic “cost of living” climate.

Successfully implemented a change to service due to the jurisdiction of the Small Claims Court (SCC). The upper limit for referrals has now risen from £3k to £5k. SSAR therefore can progress SCC referrals up to the value of £5k and Directorate of Legal Services (DLS) will concentrate on the higher value cases that have more complex legal issues. This hopefully will ensure more efficiency and effective recovery for HSCNI organisations and should speed up the £3k- £5k debts being progressed due to SCC being a quicker process and less expensive to progress than higher courts.

Successful engagement with HSCNI colleagues in order to modify reporting required to support the monthly returns and forecasting due to DOH. The revised financial monitoring return for the DOH now has a requirement for greater reporting on a monthly basis in relation to intercompany transactions and balances across HSCNI organisations.

Significant involvement in the Equip Programme alongside delivery of BAU. Software procurement and finance functional requirements have successfully been developed for Order to Cash and Cash Management. The Evaluations of pre-recorded demonstration scenario videos will be fully completed by SSAR in March 2023 in order to progress the software tender through to procurement.

Significant involvement in the working group taking forward the FPL V6 and Capita V14 upgrade programme of work. This has presented significant challenges to resources and BAU given the ongoing Equip Programme schedule of work. Testing is currently well underway for FPL V6 with Capita being progressed for testing.

Two members of the SSAR team were temporarily re-deployed to Recruitment Shared Services in order to support business contingency measures due to significant capacity issues. This also presented BAU challenges for SSAR to ensure we maintained business continuity for our service.

SSAR continue to work successfully in-house and remotely in line with the current BSO pilot hybrid working scheme whilst ensuring we continue to deliver a high-quality service in line with service level agreements.



Looking Ahead to 2023-24:

In considering the year ahead SSAR have the following focus on key targets:

- Recovery of debt in excess of 90 days to maintain a positive downward trend
- Continue to work in partnership with the Equip Programme and HSCNI colleagues. The next phase of Equip will be to progress procurement of the System Integrator. This programme of work will include SSAR input around design decisions, configuration requirements, user journey validations and reporting requirements
- In conjunction with the Equip Programme explore AI/Robotic solutions for cash allocation to add value and increase service efficiency
- Continue with the support and testing required by SSAR for the implementation and roll out of upgrades for both FPL V6, and Capita V14 scheduled for 2023
- Commence work on the application for renewal of CIMQ (the Credit and Collections Industry Accreditation for best practice) Quality Accreditation from the Chartered Institute of Credit Management. This will continue to support the quality of services to all customers
- Complete further CICM qualifications for all new and existing staff. Over 60% of SSAR are CICM qualified at varying levels which demonstrates a wide level of expertise and learning. This will support best practice and continuous improvement across the team and will also equip staff with transient skills

Shared Services Payroll Service Centre (PSC)

The Payroll Service Centre (hereafter referred to as PSC) operates out of 16 College Street, Belfast BT1 6BT. The centre of excellence was established in 2014 to provide a regional Payroll service to 16 HSC Organisations across Northern Ireland.

The PSC works to ensure that employees across the HSC are paid effectively and efficiently. The team's work is complex and diverse and provides a vital function which underpins the smooth efficient running of the HSC to include processing new starters to responding to employee queries in a timely manner in relation to a range of absences including sickness.

The BSO Payroll Services include:

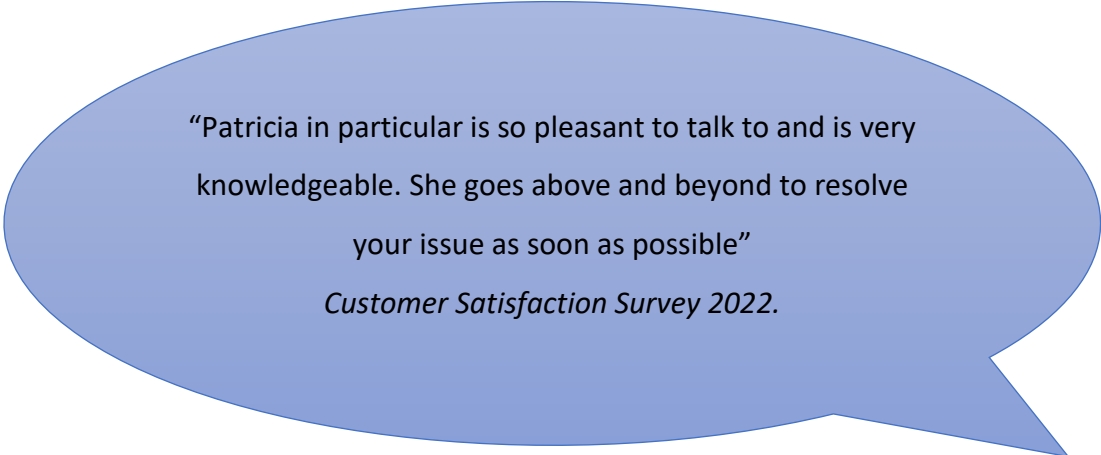
- Processing Timesheets (including Travel and Expenses)
- Processing Overpayments
- Sickness, Maternity and Adoption Processing
- Customer Service Performance (Call Handling and CRM)
- Processing New Starts and Leavers
- Fulfilling Statutory and Regulatory Requirements
- Pension Support

Key Achievements and Developments in 2022-23:

The Financial Year 2022-23 has been another positive year for the Payroll Service Centre

- Continued successful delivery of core Payroll Services throughout significant challenges
- Continued strong governance and control framework within PSC

- Implementation of pay awards including AFC pay award, M&D pay award and senior executive pay award
- Delivery of the Ministerial approved non-consolidated payment for HSC staff
- Roll out of new SLAs to define clear roles and responsibilities between PSC and customer organisations to enable collaborative working and continual improvement
- Continued customer engagement through regular operational and regional meetings
- Continued work with customer organisations to increase adherence in the submission of approved timesheets
- Development of an off-system process to determine pension rates for employees, which took place to ensure compliance with changes in pensions regulations effective from 1st November 2022
- Delivered a range of change requests to improve system performance and customer service
- Continued strong engagement with the Equip programme to support delivery of the new solution
- Improvements to maternity calculator to ensure accurate maternity payments going forward
- Continued work on the payroll quality improvement programme to focus on key areas of delivery where there are weaknesses in controls or in end to end processing



“Patricia in particular is so pleasant to talk to and is very knowledgeable. She goes above and beyond to resolve your issue as soon as possible”

Customer Satisfaction Survey 2022.

Looking Ahead to 2023-24:

- Continued successful delivery of core payroll services to regional organisations
- Ongoing engagement and support for employees and regional HR & Finance functions
- Amendments to the PSC structure following recommendations from an independent review of PSC
- Annual test of BCP
- Continued engagement with Equip programme to enable delivery of the new solution
- Further readiness for accredited status as a Payroll Centre of Excellence including the continued roll out of accredited training for staff in PSC, process training and staff engagement
- Implementation of further pay awards to include AFC pay award, M&D pay award and Senior Executive pay award
- Continued delivery of payroll quality improvement programme to further improve the service delivered
- Continue to deliver legislative change requests
- Continuous review of governance and controls of all PSC processes
- Ongoing support for regional projects
- Development of key performance indicators to support SLAs, and to identify areas of improvement in end to end processing

Recruitment Shared Services

The Recruitment Shared Service Centre (RSSC) provides a transactional service supporting the Recruitment & Selection journey for appointments into the HSC across all areas except Medical, Senior Executive and Workforce Appeal recruitment activity which are managed locally by each organisation.

The Recruitment journey is made up of multiple steps and touchpoints. The RSSC completes the transactional elements of the journey based on the hiring manager's instructions. All recruitment decisions are made by the hiring manager and or organisation.

The RSSC compiles recruitment performance data as agreed with customer organisations to cover 3 stages in the process which the RSSC is involved in:

- **Recruitment:** Following approval and transfer of a recruitment requisition to RSSC, the centre will either publish an advertisement or if a matching waiting list exists, make an offer to the next highest ranked candidate
- **Selection:** Where a post is advertised, the RSSC will act as the conduit of information between the panel and candidate. Shortlisting and interviews will be planned, conducted and co-ordinated by the hiring manager
- **Safeguarding:** The pre-employment checking process is undertaken by the RSSC. Where any decisions are required to be made about the checks these will be sought from the hiring manager



Key Achievements and Developments in 2022-23:

Mrs Karyn Patterson, Head of Recruitment Shared Services left post after 5 years of dedicated service to HSC Recruitment to take up a new and exciting post in BSO Human Resources as a Business Partner for the PHA.

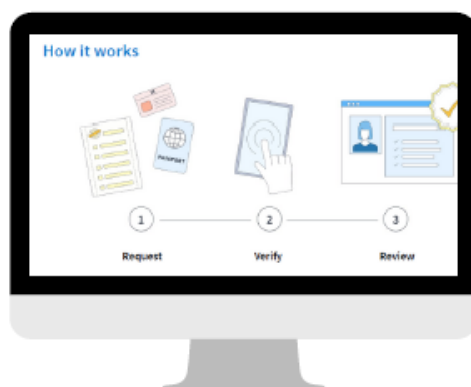
Mrs Ciara McCann was successfully appointed and started in January 2023 as the new Head of Recruitment Shared Services.

Key achievements

- Recruitment pandemic response plan developed and implemented
- Streamlined pre-employment checks for internal appointees improving productivity by 20% and reducing the time to complete checks by up to 14 days
- Procured, designed and implemented new software (Amiquis) to support the Pre-employment checks
- Vision 2020 upgrade to Vision 22 agreed and developed to support implementation of Amiquis and provide full visibility to Managers, HR Teams and RSSC Team
- Pre-employment checks further refined with new standards guide established to capture and explain the process
- Re-organisation of the workflows in the Recruitment Centre developed in preparation for implementation of Amiquis
- BSO ITS are designing PowerBI reporting to increase the reporting functionality for customers
- An independent review has been commissioned from the Leadership Centre to examine internal structures/ processes within RSSC and provide recommendations on what could be done internally to bring improvement
- A new PM has been redirected from ITS to lead on and re-establish the Amiquis Project Board and roll out the remaining elements of the implementation plan

Challenges

Over the past two years the BSO RSSC has experienced a sharp 45% increase in demand activity which is a combination of new posts (indication of workforce growth) and replacement posts (indication of increased labour turnover). Over the past number of months particularly, the RSSC Centre experienced significant challenges and change which were compounded by the increased demand, the introduction of new technology, and new legislation and the implementation of new structures, new processes and a new way of working to adapt to the new software.



Looking Ahead to 2023-24:

- Embed the new pre-employment checking software and realise benefits
- Continue to work in partnership to improve time to hire
- Implement recommendations from Internal Audit
- Implement recommendations from Internal Review of Leadership Centre to improve internal processes, communications and culture
- Prepare for management of change for equip Programme
- Transformation of service through partnership working
- Building capability of team through continuous professional development
- Enhancing candidate experience

equip Programme

The equip Programme is a regional Programme to replace the existing HR and Finance systems (FPL and HRPTS). This replacement will provide a new single, integrated system across 16 HSC organisations which will be aligned to global best practice business processes.

The equip Programme is about the modernisation of technology and processes. It is about equipping our people with a modern, usable, and intelligent system to support them in their roles. The aim is to deliver a leading practice digital solution which will enable insight led decision making and an enhanced customer experience.

The vision for Equip is illustrated below and focuses on four key pillars:

- The Future of the Workforce
- Interoperability
- Intelligent Automation
- Data Analytics



Key Achievements and Developments in 2022-23:

- Approval of Outline Business Case
- Funding and commencement of Procurement Phase
- Regional customer contributions to governance and procurement process
- Issue of Software Tenders to Market
- Software Tender Evaluation
- Expansion of Programme Team

The Outline Business Case was approved in May 2022. This was a significant milestone in the journey to ensure HSCNI can procure and implement a single, integrated, cloud-based solution to sustain the delivery of these important services to every member of HSCNI and wider stakeholders. The associated funding enabled the commencement of a Procurement Phase to secure a Software Solution, a Systems Integration Provider, and a Client-Side Partner.

A significant regional engagement process commenced to define requirements for the software solution which required input and collaboration across HSC organisations. Challenging business as usual pressures coupled with Cyber-attacks were managed during this period. As a result of considerable regional and programme effort, software tenders were issued, and bids were received from the market in January 2023. The Process of tender evaluation is underway with anticipated conclusion of this software tender process in April 2023.

A Client-Side Partner was secured to support the region and the Programme team throughout the procurement phase. The equip Programme team has increased in size and will continue to expand to progress to a Design and Implementation Phase, anticipated to start in first half of 2024.

Looking Ahead to 2023-24:

- Support the ongoing implementation of the regional Equip Programme through provision of BSO resource to replace FPL and HRPTS systems
- Conclude the Procurement Phase to produce a Full Business Case for approval to DHCNI (Digital Health and Care Northern Ireland) and DoH

- Ensure Programme funded BSO corporate resource (HR/Finance / Legal / Procurement) is available to support the equip Programme

The Programme plan for 2023 is structured to conclude on key milestones during the Procurement Phase and enabling readiness to transition to a Design and Implementation Phase (subject to approval of a Full Business Case).

In considering the year ahead, the key milestones to be achieved are:

- Complete software procurement
- Complete Systems Integration Partner procurement
- Develop the Full Business Case
- Obtain approval of Full Business Case
- Commence the Design & Implementation Phase
- Expand the resource model to support the Programme
- Continue to engage with key stakeholders throughout HSCNI

Operations Directorate



Mr Martin Bradley

Interim Director of
Operations

The Operations Directorate comprises four key service areas: Family Practitioner Services, Counter Fraud and Probity Services, HSC Pensions Service and Procurement and Logistics Service (PaLS). This is a very diverse group of services with very different roles and sets of stakeholders but what they have in common is a strong desire to deliver excellent service and to play their part in supporting the delivery of care to the citizens of Northern Ireland.

Key Achievements and Developments in 2022-23

The Financial year 2022-23 has been another challenging yet positive year for our Operations Business Units, and the last 13 months has been a privilege for me to lead such an amazing team of dedicated professionals. Whilst our Business Continuity Plans got tested in full due to two separate Cyber security events, the Operations Directorate continued to deliver services to Health and Social Care without interruption and to plan.

Our services have continually improved and some of our key successes are:

- Successful result in securing funding for our PaLS Warehousing in order to manage existing and ongoing PPE stocks
- Success at the National Go Awards for our Procurement Teams
- Developed a new Preliminary Investigation service within Counter Fraud and Probity Services
- Secured significant funding for HSC Pension Service to implement the McCloud Remedy
- Family Practitioner Services received formal National Statistics designation from the Office for Statistics Regulation

Looking Ahead to 2023-24:

In considering the year ahead we always anticipate that change will be inevitable and constant and 2023/4 is no exception to that. There will be changes in personnel due to retirement, changes in structures in business units, changes in the make-up of the Operations Directorate which will expand to include Directorate of Legal Services, Leadership Centre, Clinical Education Centre and Interpreting Services. In 2023/24 we will also see HSC Pensions Service move to our Finance Directorate.

Whilst we expect many challenges in the year ahead I'm confident that with the planning we have in place and with the professionalism, dedication and commitment from our staff for which we have seen exemplary examples of over the past few years, we will continue to grow in strength and deliver first class services to the HSC family.

The following sections show the work of the Operations Directorate in more detail and on a service-by-service basis.

Family Practitioner Services (FPS) provides services on behalf of the Strategic Planning and Performance Group (SPPG) 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 payments, maintaining an up-to-date patient registration database, medical record transfers, professional support, 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 former HSCB and Department of Health (DoH).



Key Achievements and Developments in 2022-23:

The Financial Year 2022-23 has been another positive year for FPS and the key achievements and developments are as follows:

- Maintained the flow of patient registrations and medical records and managed the challenges associated with Covid-19 and Brexit legislation
- Played a key role in the design needs stage of new patient registration system, Northern Ireland Digital Identity Service (NIDIS) due to go live in 2023-24
- Developed and implemented a new process to enable the express registration of patients originating from Ukraine
- Access to Health Post Verification of Backlog cases completed on schedule
- Formal National Statistics (NS) accreditation achieved for all key statistical series across Dental, Ophthalmic, Pharmaceutical and General Medical Services
- Ophthalmic Practice Profiles redesigned to include NIPEARS performance as business intelligence for both probity staff and ophthalmic advisers
- Assisted probity with an extensive interrogation of pharmacy prescriptions to help prosecute a major fraud case
- Analysis and reporting completed on a 5-year study examining effectiveness of GP Practice based pharmacists
- Exemplar antimicrobial dashboard developed using Business Objects
- Scenario modelling of new pharmaceutical discount scales in support of NI drug tariff transformation programme
- Continued receiving and processing the monthly submissions of prescriptions from pharmacies and maintained the monthly Pharmaceutical Payment to Contractors. Along with the processing and payment of an additional £26m of pharmaceutical additional payments

- Managed the increased in volume of drugs awarded the Serious Shortage Protocol (SSP) status due to issues within the supply chain
- Maintained the call and recall administration function of the Bowel Screening and Cervical Screening programmes
- Successfully reduced the Bowel Screening backlog, bringing the programme back in line with pre-covid timescales for the call and recall of participants
- Designed and Developed a consolidated e-orm replacing eight Non-Medical Prescribing application forms adding better assurance and efficiency to the process
- Developed a range of management and operational level KPIs to support GP Payments and Ophthalmic services with user friendly dashboards designed using Qlik Sense
- Successfully migrated user interfaces, data and databases to new server to ensure security, accuracy, accessibility, reliance and performance. Server migration will be an ongoing project for the new financial year



Looking Ahead to 2023-24:

- Develop and implement a new registration process for Asylum Seekers to ensure patients are registered

- Implementation of new patient registration system, Northern Ireland Digital Identity Service (NIDIS)
- Develop a catalogue of different scenarios that could potentially arise out of GP closures and mergers and how we respond to these
- Development of interactive dashboards to provide user-friendly access to pharmaceutical information
- Support ongoing development of the ePharmacy project to support electronic transfer of prescriptions
- Business intelligence software Qlik Sense being utilised throughout FPS service areas to monitor key performance indicators and management information
- Redevelop Ophthalmic Claim System (OCS) into the Family Practitioner Payment System (FPPS)
- Continue to support and provide development opportunities to our workforce
- Automation of General Medical Services Quarterly/Annual statistical publications, using new Reproducible Analytical Pipeline (RAP) methodology
- Newly developed Pharmacy Needs Assessment (PNA) tool moving to implementation mode following final quality assurance exercise
- Further development of dashboarding function for programme specified pharmaceutical indicators
- Establishment of a Drug Tariff Intelligence Unit embedded within Pharmaceutical Services and the rebuild of the Masterfile
- Support ongoing development of the ePharmacy project to support electronic transfer of prescriptions and support the EPES replacement/upgrade
- Continue to promote FPPS Portal Pharmacy users
- Support the implementation of HPV testing in Northern Ireland for Cervical Screening
- Support the development of fit for purpose Cervical Screening System
- Support the reduction of the qFIT threshold for Bowel Screening

Counter Fraud and Probity Services

Counter Fraud Services (CFS) is the sole provider of a comprehensive counter fraud service to the Department of Health, all HSC organisations and the Northern Ireland Fire and Rescue Service. This service includes prevention, detection and investigation of fraud, corruption and other financial irregularities in or against Health and Social Care Northern Ireland.

CFS offer the provision of advice and guidance, investigation of referrals, prevention activity including fraud awareness events, bespoke training, a fraud proofing service, data analytics and proactive projects. In addition to these services since 1 February 2023 the Counter Fraud Service has taken over conduct of preliminary enquiries for all client bodies.

The Counter Fraud Service has continued to experience a significant demand across all service areas particularly in relation to advisory work and investigations. Despite increasing demands which were placed on the service by the pandemic and the current economic pressures being experienced Counter Fraud Service has continued to provide a full range of services including the conduct of proactive reviews for HSC clients.

Probity Services is responsible for the delivery of a range of technical verification and assurance activities to the Strategic Planning and Performance Group (SPPG) in relation to in excess of £1b of Family Health Service (FHS) expenditure each year. This verification and assurance service provide essential input to SPPG, to allow it to fully and adequately discharge its corporate governance obligations in respect of FHS funds.

Probity Services is also responsible for the delivery of a regional bespoke verification and debt recovery service in relation to claims made by patients for help with payment of statutory charges in respect of dental and ophthalmic treatment received.

In addition to the above, Probity Services also has responsibility for the administration of the Healthy Start and Day Care Foods Scheme. This regional scheme involves the issuing of vitamins to pregnant and nursing mothers and babies across Northern Ireland as well as the provision of milk to children attending nursery schools and day care facilities.

The Probity Service had to stand down a considerable number of its services due to the impact of the pandemic but has started to move back towards normal routine working arrangements in this financial year.

Key Achievements and Developments in 2022-23:

Counter Fraud Service

The Counter Fraud Service has undertaken a substantial programme of preparatory work to facilitate implementation of a new preliminary enquiry process. This included the development of new policies, procedures and guidance and training for all client organisations as well as recruitment of investigators to undertake this additional work. CFS took responsibility for the conduct of preliminary enquiries for all HSC organisations and the Northern Ireland Fire and Rescue Service on 1 February 2023. The implementation of this new process has been achieved with the support of all our client organisations.

The graphic below provides detail of casework including investigations which have been undertaken by the Counter Fraud Service during this year as of 31st March 2023.



Probity and Exemption Services

The Financial Year 2022-23 saw a move back towards normal routine working arrangements for the Probity Team. Verification of both GMS and Dental payments recommenced as well as the re-introduction of ‘face to face’ checking clinics.

During 2022-23, the Probity Team worked closely with SPPG colleagues to introduce verification checks on several new GMS payment areas and also managed to close out many of the older pre-covid cases.

Probity Recoveries by the end of March 2023 (£86k) had increased by more than 48% compared to the previous year (£58k).

Throughout the year work on the new Patient Exemptions Case Management System continued as staff provided significant support to the Project Manager in completing all necessary product specification documents to get the project to the 'Tender Ready' stage. Unfortunately, due to funding difficulties the project was suspended in-year.

During the year the Patient Exemptions Team also processed in excess of 4,500 new patient exemption cases which was approximately 1,000 more cases than the previous year. Recoveries returned to SPPG from Patient Exemption checks for the 2022-23 year were circa £184k which is £56k (44%) higher than those returned for the 12 months of 2021-22 (£128k)

Looking Ahead to 2023-24:

Counter Fraud Service

Looking ahead to 2023-24 we anticipate the demands on the Counter Fraud Service will continue to rise as the Preliminary Enquiry reporting process is embedded. We look forward to hosting the Four Home Nations meeting during April 2023. Our working relationship with our UK professional counterparts enables us to establish a common approach in our work to fight fraud within the UK Health Service.

Probity Service

In 2023-24 we anticipate that the delivery of the Probity Post Payment Verification will return to pre-Covid levels. We also look forward to seeing the results of the Small Claims Court pilot project as we strive to improve the effectiveness and efficiency of the Patient Exemptions process.

HSC Pension Staff have continued to strive for excellence and have embraced a new hybrid way of working, whilst maintaining business as usual allowing development of virtual & digital capabilities. All benefits and calculations continue to be processed in a timely manner and to an extremely high standard.

Payroll Pension Team (PPT)

The Payroll Pension Team (PPT) have full responsibility for processing the pay related elements of all HSC Pension Benefit applications. The Team processed pay figures for 6,754 pension events up to 31st March 2023. The team also process pay figures for estimates, to allow members to plan their retirement and have commenced work in preparation for the implementation of McCloud Remedy.

Annual Allowance Team (AA)

The Annual Allowance (AA) team continue to deal with the many issues arising for HSC Pension Scheme members as a result of Pension Taxation legislation. The team met the deadline of having all AA information available to members by 6th October 2022, and issued notification to 1,236 members who had breached their exceeded allowable taxable limit for growth in their pension. They have also handled approximately 6,723 queries/AA calculations from member and delivered 297 one to one consultations.

Pension Liaison Team

The Pension Liaison Team continues the delivery of staff engagement sessions to inform members on various types of Scheme membership. This year this involved delivering specific sessions in relation to the McCloud Remedy and Annual Allowance issues. In 2022-23 over 3,500 members availed of this service. The team have also delivered training to HR teams and continue to provide support with complex queries.

Quality Assurance/Data Cleanse Team

The Quality Assurance team manages the transfer of data from employers to HSC Pension Service and has ensured members can easily access their Annual Benefits Statements via the Member Self-Service (MSS) portal.

Northern Ireland Fire & Rescue Service (NIFRS)

HSC Pension Service are responsible for the administration of the NIFRS Pension Scheme. The team process all pension events for NIFRS staff.

The General Practitioner Team

Throughout the 2022-23 year the team successfully processed 1,200 General Practitioners Annual Certificates. They also completed 1,100 Dental Practitioners end of year calculations with corresponding Annual Allowance data and Annual Benefit Statement production with subsequent processing of Scheme Pays facility for payments on behalf of our members to His Majesty's Revenue and Customs (HMRC).

Payroll Team

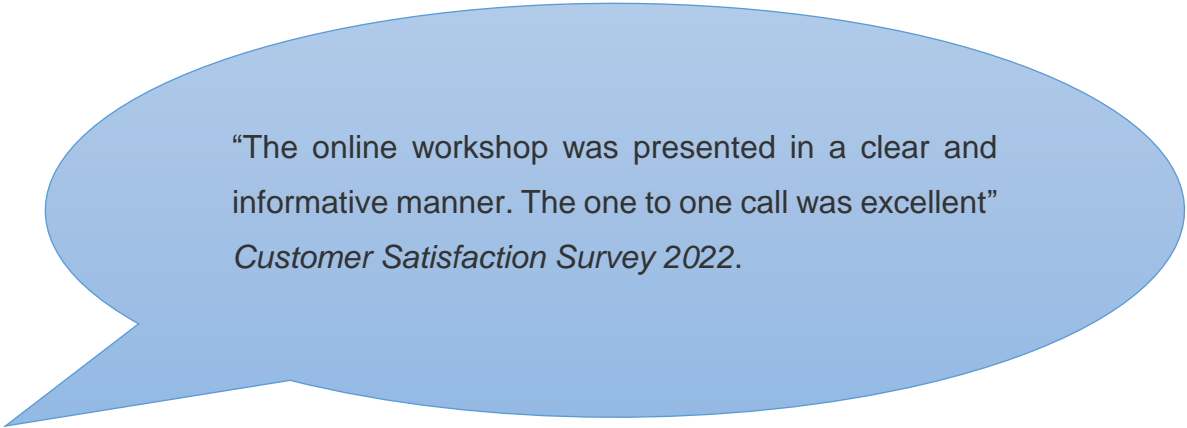
The Payroll team are responsible for ensuring all pension related payments are paid accurately and on time to our members. This includes pension and lump sum payments to pensioners. Approximately 530,000 individual payments were made to pensioners and members in the year 2022-23.

Pension Administration Team

The Pensions Administration Team has continued to award all pension related benefits in a timely manner, paying over 2,750 new pensioners (equating to 4,325 pension calculations) and all other payments in respect of death benefits, refunds and transfers.

Key Achievements and Developments in 2022-23:

- Approximately 530,000 individual payments were made to pensioners and members in the year 2022-23
- New web-based telephone service introduced



“The online workshop was presented in a clear and informative manner. The one to one call was excellent”
Customer Satisfaction Survey 2022.

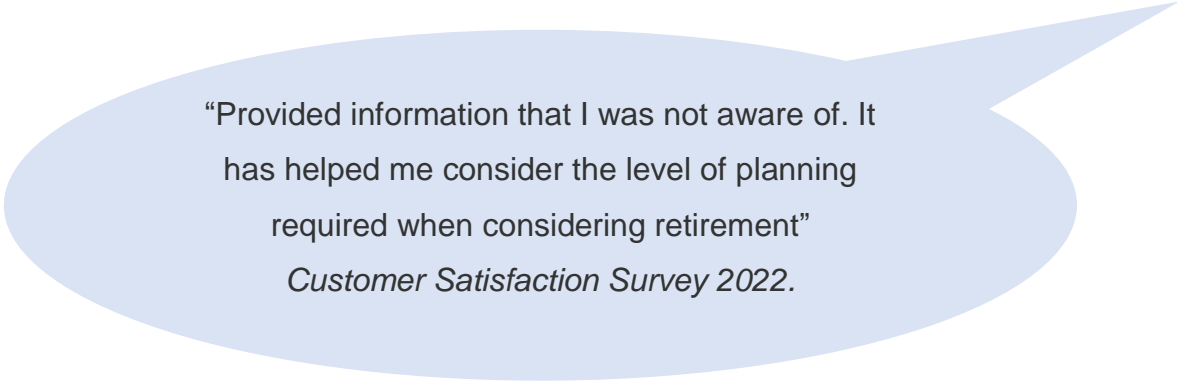
- Contributed to the successful approval of a business case for the implementation of the McCloud remedy and have started recruitment of 30+ staff
- Successful management of the COVID Life Assurance Scheme on behalf of the Department of Health (DoH) ensuring compensation payment was received by affected families
- Managed over 22.5k telephone calls from stakeholders.

Looking Ahead to 2023-24:

With the implementation of McCloud just around the corner and the ever-changing landscape of Pensions there will be challenges ahead in the coming year.

Key targets for the year ahead will include:

- Ensuring successful implementation of McCloud remedy whilst maintaining Business as usual
- Roll out of Member Self Service (MSS) for HSC & NIFRS members
- Implementing proposed legislation changes for taxation issues (AA)
- Collaborating with software providers to ensure system is up to date and capable of dealing with changing legislation
- Continued development of comprehensive communication strategy
- Further development of online tools to assist members and help them understand the McCloud Remedy
- Migration of the NIFRS pensioner payroll function to HSC Pension Service
- Digitisation of members paper records
- Enhanced payroll solution to allow early calculation of pension and automate arrears
- New software solution trial to allow small employers to complete on-line returns



“Provided information that I was not aware of. It has helped me consider the level of planning required when considering retirement”
Customer Satisfaction Survey 2022.

BSO Procurement and Logistics Service (PaLS), provides professional procurement and logistics services to all Health and Social Care (HSC) Organisations across Northern Ireland.

In the financial year of 2022-23, BSO Procurement and Logistics Services (PaLS), have had to deal with a significant and increasing number of challenges and disruption as a result of many global and geo-political events. Events such as the Covid-19 aftermath, increasing issues arising from EU Exit, Ukraine Conflict, the global energy crisis, recruitment and retention issues, a systems outage, and the financial crisis, all of which have a direct impact on Procurement and Logistics services, and our staff delivering them.

However, the BSO PaLS staff are an example of exceptional resilience, and in facing all of these challenges, they have had to learn new skills, as well as adapt to new ways of working. This year BSO PaLS has welcomed many new members to our team, and we are delighted that they will be part of our journey as we grow and develop in the ever-changing landscape.

Key Achievements and Developments in 2022-23:

BSO PaLS are very proud of their successes and achievements, as we wish to ensure continuous improvement and quality management. Some of our key achievements in 2022-23 are as follows:

All PaLS:

- Sustained a system outage for 11 days during August 2022 due to a Cyber-attack. Ensured our services were maintained, and we now have developed more robust Business continuity plans
- Development of new operational analytics to help aid management decisions and provide increased visibility of performance
- Successful focussed multi-media recruitment campaigns to reduce vacancies

- Successful management of unprecedented levels of supply chain product disruption across multiple categories and within the PaLS warehouses, to ensure continuity of service within HSC
- Continuing with professional development of our staff who are qualifying with either Chartered Institute of Purchasing and Supply (CIPS) or Chartered Institute of Logistics and Transport (CILT) (photos below are CILT recipients in 2022-23)



- Continuing our support for Graduate Management Trainees and Management Interns
- Continuing to tailor and implement Health and Well-being initiatives for our staff

- Throughout the year, more than 50 BSO PaLS staff have been involved with the Equip Programme, at various stages, for the replacement of HSC Finance, Procurement, Logistics and HR systems, targeted for go-live in 2024
- Approval of the PPE Supply Chain Business Case to enable PaLS to respond to the revised strategy for PPE to cover the next five years
- Encouraging a culture of innovation and knowledge sharing to increase our agility and enable better partnership working with our customers

Procurement Specific:

- The Procurement ICT team achieved two awards at the UK National Go Awards: Winner in the category “Infrastructure or Capital Project” in conjunction with the Laboratory Information Management System (LIMS) team, and Highly Commended in the category, “Procurement Team of the Year”.



- The Procurement ICT team took part in the Slieve Donard Climb and raised £1,820 for the Friends of the Cancer Centre.

- Continuing unprecedented levels of price volatility across all categories – while PaLS have received circa 280 requests resulting in net cost increases of £6M p.a., the intensive levels of ongoing negotiations, have resulted in cost avoidance of £1M. This activity also requires a higher level of communications with Trusts
- Continued liaison with DHSC due to NI Protocol in order to minimise disruption to supply of medicines and medical devices
- Successful implementation of Social Value PPN and development of multi-site project teams to implement Supply Chain Resilience and Modern Slavery PPNs
- Our Capital team supported the equipping of the new Lisburn Primary and Community Care Centre
- Development of new eLearning module for Contract Adjudication Group (CAG) training
- DoH issued new Direct Awards Contract (DAC) Guidance and PaLS Compliance Unit, in conjunction with the DoH Policy Unit, developed online training for HSC staff. Compliance Unit further assisted HSC Organisations with implementation of the guidelines.
- Social Care Procurement Board (SCPB) agreed to implement a new Social Care Commissioning and Delivery Structure which was developed by the PaLS SCP Team. The aim of this structure is to define the commissioner's role in progressing the planning phases required before procurement commences
- Recent examples of major contracts supported by the Procurement ICT Team include: Encompass Hosting and Managed Service, Regional Learning Management System, Equip ERP Software and Mobile Phones
- Growth proposals developed and implemented for the ICT team, to ensure support for major HSC digital programmes such as encompass, Equip, and HSC Digital

Logistics Specific:

- Succession Planning and developing staff to take on critical leadership roles across the logistics teams

- Successfully embedding a new driver team within our workforce, ensuring continuity of supply to our customers
- Working more collaboratively with Procurement colleagues to identify and monitor supply disruption to maintain an excellent Service Levels to HSCNI
- Successful maintaining critical supply to HSCNI throughout Industrial Action in Quarter 3 and 4
- Successfully renegotiating the leases for Carrickfergus and securing funding to maintain PPE storage & distribution for the next five years
- Improving reporting and accuracy of expiry dates, providing vital management information to identify potential surplus stock, following a reduction in demand for PPE and other Covid related products
- Continuing to support the DoH Test & Trace programme with storage and distribution and working to coordinate return and disposals of surplus stock
- Introducing a series of efficiency programmes to re-categorise products and reconfigure warehouse storage locations to align with current demand
- Re-engineering processes and enhancing procedures to contribute to quality improvement
- Implementing a number of Revenue & Capital projects to enhance the physical environment, whereby improving operational effectiveness
- Maintaining Accreditations in ISO:9001, Food Safety, and Achieving a Gold Standard in Community Equipment Code of Practice Standard (CECOPS)
- Expanding the Circular Economy by improving returns and recycling in the Community Equipment and Contenance Service



Looking Ahead to 2023-24:

BSO PaLS expect to continue to face challenges in the next 12 – 24 months due to global supply chain disruption, the geo-political and financial environments.

Some of the challenges we expect to face include:

- Continued uncertainty with NI Protocol and the impacts
- Increased global, geo political supply chain disruption - resulting in the need to increase prioritisation of supply chain resilience
- Recruitment and retention – there is a risk that increased pressure will result in reduced staff engagement and employee relations issues, including industrial action
- The deteriorating financial climate and the impact it will have on our services due to the limitations on investment
- Introduction of New UK Procurement Regulations, without resource to implement
- The increase of major IT programmes and the impact the various implementations will have
- Preparation and contribution towards national strategies for climate change, net zero carbon targets and sustainability due to legislative requirements

BSO PaLS look forward to:

- Developing strategies to overcome the challenges and mitigate the risks
- Enhancement of training for our staff and customer base, through the use of digital multimedia
- Development of all As-IS processes and the required change management preparedness for go-live of Equip
- Developing more robust succession and workforce planning in line with BSO People Strategy
- Approval of business cases developed for “growth” for Pharmacy and SMC Procurement teams

Creating a project team to review the storage footprint for HSCNI, ensuring it is fit for the future.

Customer Care and Performance Directorate



Mr Mark Bradley

Interim Director of Customer
Care and Performance

The Customer Care and Performance Directorate provides key services across the BSO and broader HSC System. These services include Corporate Governance, Customer Relations, Business Planning, Performance Reporting, Risk Management, Corporate Communications, Equality Services, Honest Broker Service and Office for Research Ethics Committees (NI).

CCP provide assurances to the BSO SMT, BSO Board and its customers that we are providing high quality business support.

On reflection, there have been a number of highlights throughout the past year from across the Directorate including;

- Delivery of key Corporate Governance functions;
- Establishment of a BSO Corporate Communications Department
- Implementation of the BSO Review
- Successful completion of the five-year Equality Reviews for BSO and the Arms - Length Bodies
- Successful completion of all Research Ethic Committees
- Appointment of Director of Strategic Planning & Customer Engagement

Another major development within the Customer Care and Performance Team, has been the review of the BSO Risk Management System whereby an Integrated Governance and Assurance Framework has been developed to be presented as part of the overall review of Risk Management. This robust Governance Framework is also responsible for the management of growth within all service areas which incorporates positive engagement with BSO customers.

We must acknowledge the dedication of the Customer Care and Performance Team across all the disciplines. Without the commitment and determination of all staff involved, we would not have

been in a position to deliver the quality and scale of what has been achieved. A very big thank you to all.

Looking forward to 2023-24

Looking forward to the incoming year, a major development within the Customer Care and Performance Directorate will be the implementation of the BSO Review recommendations which will see a streamlined organisational structure formally taking effect from 1st April 2023. Under the BSO Review recommendations, our Directorate will now be known as the Directorate of Strategic Planning & Customer Engagement with changes to the existing reporting structure. Some of the key changes will include Equality who will sit with Human Resources & Corporate Service, and Honest Broker Service and Office for Research Ethics Committees (NI) who will now report into the new Operations Directorate. I am delighted to welcome Karen Hunter Director of Strategic Planning and Customer Engagement who will be taking forward the new Directorate. I wish her and the Team every success.

Looking forward to the incoming year, I believe there will be challenges in continuing to deliver the quality services across the Strategic Planning and Customer Engagement Directorate in conjunction with an anticipated efficiencies programme.

In particular, the following highlights some of the challenges ahead for the Team:

- Development of a new Corporate Plan to commence on 1st April 2023
- Presentation of the Annual Quality Report 2022-23 to the Department of Health
- Leading on the BSO Transformation

I have no doubt the Team will rise to the challenges presented, as well as continuing to provide the business-as-usual service across the Directorate, whilst simultaneously addressing the challenges that will be presented during the course of the year.

The key achievements are detailed in the following pages and provide an overview from each service area.

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 1,800 staff across 20 service areas in 2022-23 with plans to grow extensively, in particular, across ITS related functions. Our customer base has also expanded and we now deliver to 18 organisations within the Health and Social Care System and the Northern Ireland Fire & Rescue Service. Our services continue to grow year on year and this growth continues to be supported by the CCP team.

This department is responsible for the co-ordination and agreement of Service Level Agreements (SLAs) 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 20 service areas, liaison with customers and the Department of Health Sponsor Branch, analysing returns, prioritising key issues, and drafting reports. These include:

- Corporate Governance & Risk Management
- Corporate and Business planning
- Performance Management & Improvement
- Quality Monitoring and Reporting
- Customer Relations and Engagement
- Corporate Communications
- SLA creation and agreement with BSO customer organisations
- BSO Growth

Key Achievements and Developments in 2022-23

- Implementation of Phase 2 of the BSO Review
- Establishment of a new Corporate Communications Department in June 2022

- Establishment and facilitation of the BSO Strategic Customer Forum
- Development of the 2023-24 BSO Corporate Annual Business Plan and submission to the Department of Health
- Review of Customer Surveys and implementation of a revised Customer Survey Framework
- Review of the BSO Risk Management Strategy
- Facilitation of Board Workshops on HM Treasury Orange Book Updates, Risk Management Framework and Horizon Scanning
- Board Effectiveness Survey with Non-Executive Directors and Executive Directors
- Board Governance Self-Assessment was completed in August 2022
- Annual Quality Report submitted to the Department of Health and published
- Production of the 2021-22 Annual Report and Accounts
- Establishment and facilitation of the DLS Customer Forum
- Reviewed of Corporate SLA process, enhancing governance arrangements for all service areas
- New Risk Template developed for the Corporate Risk and Assurance Report
- Review of BSO Standing Orders (Standing Financial Instructions) (SFIs)
- Implementation of Assurance Maps and Action Plans, for providing year-end assurances to customers
- Facilitation of the ALB Customer Forum

Looking Ahead to 2023-24

- Implementation of a new Performance Management Framework
- Implementation of a new Customer Engagement Strategy
- Implementation of Phase 3 of the BSO Review
- Development of a new Corporate Plan 2023-24
- Delivery of a new Service Level Agreement in consultation with the 6 HSC Trusts and ALBs
- Undertake a review of Growth Proposals, its terminology and processes
- Implementation of new BSO Governance and Assurance Framework
- Presentation of a new Partnership Agreement to SMT & Board
- Review of internal processes in terms of automation and digitisation
- Embedding the new Strategic Planning and Customer Engagement structure
- Creation of a new Service Catalogue reflective of the new structure

The BSO Equality Unit provides a high-quality bespoke Equality and Human Rights service to support our partners in delivering better health and wellbeing outcomes for Northern Ireland's diverse population and in developing their recruitment and employment practices to become Employers of Choice for a diverse workforce. The Equality Unit currently provides services to the Northern Ireland Blood Transfusion Service, Department of Health – Strategic Planning and Performance Group, Children's Court Guardian Agency for Northern Ireland, Northern Ireland Medical and Dental Training Agency, Northern Ireland Practice and Education Council for Nursing and Midwifery, Social Care Council, Patient and Client Council, Public Health Agency, the Regulation and Quality Improvement Authority and the Safeguarding Board for Northern Ireland.

Services provided by the Equality Unit include:

- Expert advice and guidance on statutory obligations and compliance: including one-to-one support for senior staff on considering equality issues in policy- and decision-making
- Developing, organising, delivering and evaluating training
- Supporting clients in consultation and engagement with external stakeholders
- Developing joint best practice initiatives and supporting clients in their delivery
- Supporting clients in the development, delivery and review of their Equality and Disability Action Plans
- Coordinating the drafting and submission of statutory reports

Key Achievements and Developments in 2022-23:

The key priority this year was to facilitate the BSO and client organisations in developing new Equality and Disability Action Plans for five years, from 2023 to 2028.

This involved engaging with all clients and BSO service areas to support them in identifying key inequalities relating to their work and developing priority actions to address these in order to make a difference for specific equality groups. To this end, the Unit:

- Held 10 workshops and in-depth conversations with senior teams
- Conducted a dedicated focus group with members of Tapestry, the disability staff network of the BSO and client organisations facilitated by the Equality Unit, about barriers and inequalities in the workplace
- Reviewed submissions for the Plans from 33 teams
- Engaged closely with 13 individual leads to provide in-depth advice and feedback on draft actions, outcomes and targets
- Drafted 10 consultation documents
- Engaged with volunteers from Tapestry to find out what to take into consideration for planning the public consultation on the Plans and how to make sure that people from a wide range of disabilities can share their views on the draft Plans

Likewise, the Unit delivered training to a rising number of staff on how to identify and address equality issues in any given area of work through the processes of 'equality screening' and 'equality impact assessment'. The Unit trained 179 staff in 2022-23, compared with 168 staff in 2021-22 and 33 staff in 2020-21.



Looking Ahead to 2023-24:

For 2023-24, the main priority will be to facilitate the BSO and client organisations in having their new Equality and Disability Action Plans 2023-28 in place by 30th September 2023. This work will involve:

- Facilitating a 12-week public consultation on the draft Plans for the 10 organisations
- Collating all comments and suggestions received during the consultation
- Facilitating clients in considering the outcome of the consultation, responding to issues and suggestions raised, as well as finalising, publishing and submitting their new Plans to the Equality Commission

Likewise, meeting the increased demand for training and one-to-one support and advice on equality screenings and equality impact assessments will remain a key priority for the Unit.

Introduction:

The Office for Research Ethics Committees Northern Ireland (ORECNI) works alongside the UK Research Ethics Service to support the HSC Research Ethics Committees in Northern Ireland. Our Research Ethics Committees (RECs) help to protect research participants and facilitate ethical research both in Northern Ireland and in the rest of the UK. The RECs are made up of volunteer members who review research proposals tackling some of the biggest challenges we face in health and social care today, from cancer to dementia, and more recently, COVID-19. REC members are a mixture of experts (registered healthcare professionals, clinical trial statisticians and other experts in research) and lay members with an interest in health research ethics. Despite having different roles and experiences all members have a shared goal; to ensure research is ethical and fair.



Key Achievements and Developments in 2022- 23:

This year was particularly good for OREC. During June and July 2022, HSC REC A and REC B respectively were awarded full accreditation following an in-depth audit completed by the UK Health Departments' Research Ethics Service. Accreditation lasts for a period of two years.

OREC also continued to fully meet all our legal and regulatory timelines for reviewing new research proposals, as well as reviewing amendments to existing research proposals submitted by research teams, and answering queries from researchers throughout the UK.

More than 160 new proposed research projects in Northern Ireland and the rest of the UK were reviewed by our HSC RECs this year. These varied from proposals testing mental health interventions in adults and children, to Phase 1 Clinical Trials to see if an experimental drug or treatment is safe for use in humans. More than 120 substantial amendments to existing research projects were reviewed by our subcommittees.

This year, OREC worked with a wide range of customers/ researchers from academic, private and statutory sectors. The largest proportion of new proposals reviewed this year were submitted by researchers in the academic sector (45%), while almost 1 in 3 applications came from pharmaceutical companies, and 1 in 4 proposals were from NHS/ HSC or other statutory organisations.

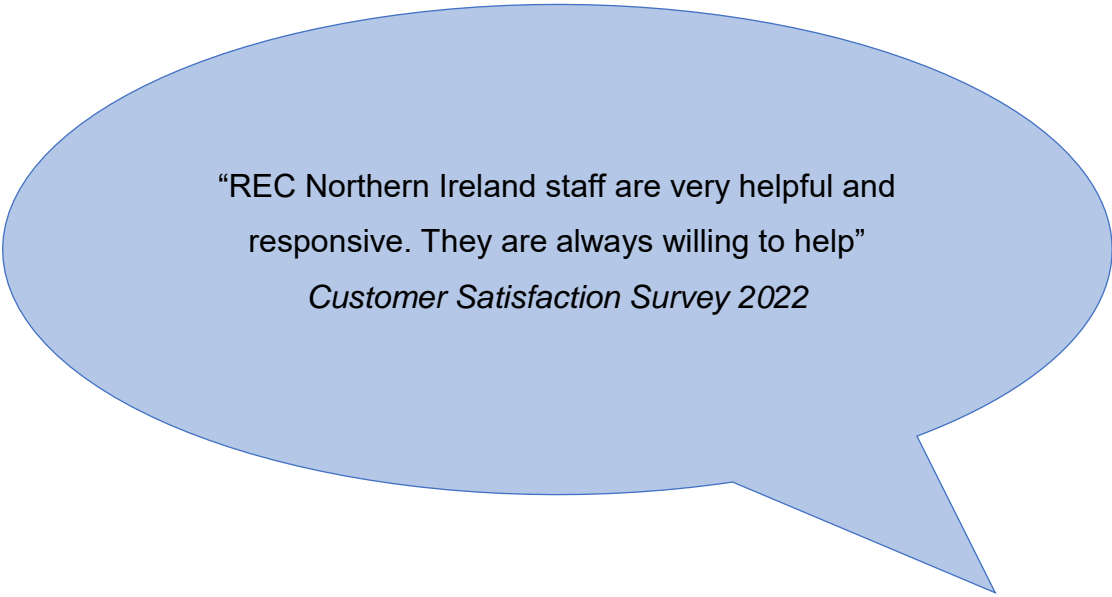
OREC also ran a successful recruitment exercise in March this year, recruiting 17 new REC members to help ensure the longevity and future proof the service. These volunteers were recruited from a range of voluntary, community and academic backgrounds - an important move to ensure HSC Research Ethics Committees are reflective of the society we live in.

Looking Ahead to 2023-24:

This coming year, OREC will work closely with the Health Research Authority and partners in Scotland, England and Wales, to help shape the future direction and new developments proposed for the UK Research Ethics Service.

This will also involve working closely with colleagues in the Health and Social Care Trusts and PHA in setting up the new Central Governance Facility to support and attract new research to take place in Northern Ireland.

As part of this drive to increase research investment in Northern Ireland, OREC plans to develop an engagement programme to work with our customers in order to further develop the service we offer.



“REC Northern Ireland staff are very helpful and responsive. They are always willing to help”

Customer Satisfaction Survey 2022

The Honest Broker Service (HBS) is the Secure Data Environment (SDE) for Health and Social Care Northern Ireland. Also known as Trusted Research Environment (TRE) or “Data Safe Haven”, a Secure Data Environment provides a highly secure computing environment providing access to de-identified health and social care data for approved researchers to use in research, which is of public benefit and relevant to HSC policy.

Data and analytical tools are located in one place, similar to a secure reference library. Rather than extracts of individual level data being ‘released’, SDEs provide access to a secure analytics environment (“safe setting”) so researchers bring analysis (such as algorithms) to the data. Making data available through an SDE provides confidence to patients and the public that their personal health data is accessed securely, and their privacy is protected.

Following on from the successful rollout of the HBS Tenancy of the UK Secure e-Research Platform (UK SeRP), HBS continues to offer researchers safe, secure access to anonymised data without having to physically attend the BSO Safe Havens.

In addition to providing access to de-identified Health and Social Care Data for Research, the Honest Broker Service also plays an important function in access to data (e.g. for Service Improvement and Clinical Audit) across HSC, in line with the Department of Health “Code of practice for protecting confidentiality of Service Users”.

The Honest Broker Service continues to support HSC involvement in the UK Health Data Research Alliance and work carried forward by Health Data Research UK (HDR UK).

We have continued to support the development of the HDR UK Innovation Gateway and it is possible to browse metadata, find information on approved projects and apply to access data via the [HBS Collection on the Gateway](#).

Key Achievements and Developments in 2022-23:

The financial year 2022-23 has been a challenging but positive year for the Honest Broker Service.

Key achievements and developments within period April 2022 – March 2023 include:

- Successful recruitment of a new chair for the Honest Broker Service Governance Board. This important post provides vital leadership and is key to providing assurance and oversight to the HSC Data Controllers around use of data in projects that have been approved by the Governance Board
- Through negotiations with key stakeholders at the Northern Ireland Trusted Research Environment (NITRE) Strategic Programme Board, funding has been secured for the Honest Broker Service for the 2023-24 financial year
- This includes extension of the funding for the HBS Tenancy of the UK Secure e-Research Platform which is key infrastructure used to provide secure remote access to data
- The Honest Broker Service (HBS) is also now part of the UK SafePod Network, a standardised safe setting that provides security and controls for data that required secure access for research
- At the time of writing the Honest Broker Service has had 8 new HBS Research projects approved in this financial year and has 4 new applications in final draft. Approved topics cover a wide array of topics including impact of COVID-19 on cancer care, a range of projects looking at mental health and projects looking at Severe Asthma treatments as well as other respiratory diseases
- The team continue to support a portfolio of projects which were approved in previous years. Including flagship UK wide research into safety and effectiveness of COVID-19 vaccinations
- The HBS team have processed and matched data on service users who had applied for support for Homelessness from the Northern Ireland Housing Executive. This research project was approved in 2021-22, however the resource intensive data matching and linkage process was completed in the 2022-23 financial year. The research project will look at the relationship between homelessness and health in Northern Ireland and outcomes from the analysis will inform the Northern Ireland Homeless Strategy

- There have been four new applications to the internal Honest Broker Service for clinical audit and service improvement including a large-scale project looking at Neurology Waiting Lists and a collaborative project looking at better ways to display and utilise Prescribing Data
- The HBS team also supported NI input to the UK-wide PANORAMIC Trial (conducted by the University of Oxford) which is investigating the effectiveness of the various antiviral treatments against COVID-19. This was the first UK Wide Trial which has received consented follow up data from both primary care and secondary care sources using administrative data record linkage from Northern Ireland

Looking Ahead to 2023-24:

- Continued work towards accreditation under the Digital Economy Act
- Continued collaboration with the Northern Ireland Trusted Research Environment (NITRE) Strategic Programme Board around funding and the role of the Honest Broker Service in the HSC Data Strategy and Information
- The General Practice Intelligence Platform (GPIP) continues to progress in its development and will become a hugely important new source of primary care data accessible via the HBS
- The encompass project will reach Go-Live in the 2023-24 financial year. This will replace many ageing HSC IT systems which are currently used as the data source for Honest Broker Service
- HBS will continue to support the Northern Ireland Longitudinal Study and grow the portfolio of HBS research and non-research projects

Information and Technology Services (ITS)

BSO ITS Infrastructure Team deliver of a broad portfolio of ICT infrastructure services to a range of customers within BSO and across HSC in Northern Ireland, as well as external customers.

Client Systems Team manage and support HSC client computers across multiple organisations. Virtual Desktop Team support existing virtual desktop environments and develop new VDI solutions.

The Server and Database Teams are responsible for delivering a resilient and highly available server infrastructure across the two public sector datacentres.

Cyber Security Team investigates methodologies and technologies to help HSC detect, understand and deflect advanced cybersecurity threats.

Security Operations Team focus on managing the necessary infrastructure that delivers the overall security posture for BSO and other HSC organisations thus ensuring the business is protected from threats.

Network Team support and manage the network infrastructure including routers, switches and circuits. The team ensures our local area networks (LAN) and wide-area network (WAN) operates properly.

Service Desk Team provide IT call logging, triage and first-time fix services to all our customers. Web & SharePoint Teams develop and support intranet, internet and SharePoint sites for BSO, ALBs and HSC Trusts.

Key Achievements and Developments in 2022-23:

Commissioning of new BSO offices in James House has been a major accomplishment. A first in Northern Ireland and probably a first in the UK where Civil service, Health Service and other public bodies share the majority of ICT infrastructure within the same building. Network team were key to making the innovative approach work.

The SharePoint Team have successfully developed a new Computer Aided Job Evaluation system that is now in use within BSO HR replacing an older externally hosted system. This system was fully designed and tested within very tight timescales and has resulted in significant cost savings compared to the previous externally supplied solution.

All BSO ITS Infrastructure Teams have worked diligently to ensure all BSO hosted ICT services were successfully migrated to new datacentre hardware. This activity is necessary every 5 years in order to keep all our services running on new and modern platforms that are fully supported by our third-party partners.

The BSO Desktop Team have also completed the deployment of several upgrades to “business critical” systems in 22-23. An example is the upgrade of F5 BigIP for BSO and ALB organisations. Given the considerable number of staff members “Working from Home” who were completely reliant on F5 BigIP to connect to corporate systems, it was critical that this upgrade completed successfully.

The BSO Web team work across HSC to deploy and create web applications, they regularly monitor and update both applications and servers to ensure the smooth operation of our customers online presence. The Web team have migrated a large percentage of BSO hosted websites to new infrastructure. During the migration, site templates have been updated to comply with new web accessibility laws for public sector websites. A website management console has also been introduced to facilitate, maintenance, backups and monitoring of our applications.

Commissioning of James House has been a major accomplishment for BSO Network Team. A first in Northern Ireland where Civil service, Health Service, and other public bodies share the majority of ICT infrastructure within the same building. BSO ITS Network team were key to making the innovative approach work.

All BSO ITS Infrastructure Teams made significant contributions to the ongoing success of the Technical Enablement Programme which has delivered numerous benefits to BSO staff like the use of MS Teams.

BSO ITS infrastructure teams have resolved 36k vFire (Cloud Based IT Service Management Solution) calls so far this year

Looking Ahead to 2023-24:

BSO ITS Infrastructure teams will continue to deliver efficient and robust BAU services to all our customers while working under difficult pressures and tight timescales.

BSO ITS infrastructure teams will be assisting various programs and projects in the delivery of new services during the new financial year.

These include:

- GP Modernisation Programme and the migration of GP practices and their clinical applications into the public sector datacentres
- Cyber Security Programme
- Encompass
- NIPACS+
- NIPIMS & LIMS
- NIDIS
- ECPS and EQ
- BPaT
- NIECR

BSO ITS Infrastructure teams will continue to research and develop new and improved technologies including the adoption of new cloud services.

BSO ITS Infrastructure teams will also continue to prepare for the renewal of our multi-million-pound regional enterprise agreements with Microsoft and VMware.



NIPIMS — is a new £40m Laboratory Information Management System (LIMS), that will significantly improve the delivery of clinical diagnostic services for key areas of healthcare. Health and Social Care (HSC) pathology services perform around 40m diagnostic tests in Northern Ireland each year, the results of which inform over 80% of all healthcare diagnostic and therapeutic decisions for patients.

- Core LIMS launched in September 2021 and awarded the contract to **CliniSys**
- Core LIMS has progressed into the Test stage
- The service is preparing for Regional System Go Live in Spring 2023

Northern Ireland Picture Archiving and Communication System (NIPACS), delivers services to meet clinical demand throughout the region. NIPACS entered the final year of contract during 2022-23 and will terminate on March 31st 2023, when the new NIPACS+ 10-year contract is commissioned into service.

NIPACS+ is an HSC wide Programme, working to consolidate the disparate Imaging Solutions across the HSCNI landscape and will introduce a full regional view of a patient's medical imaging and reports regardless of geographical location and specialty. The NIPACS+ Programme will deliver a single enterprise imaging solution for HSCNI to improve patient safety, enhance patient care, support clinical diagnosis and strengthen clinical pathway planning.

Key Achievements and Developments in 2022-23:

Key achievements in 2022-23 began in May 2022 with the approval of the NIPACS+ full business case. This was a major milestone and enabled the programme to work with DLS and PaLS to achieve contract sign off in July 2022.

Following contract sign off in July 2023, the programme has been delivering major achievements ahead in planning for March 2023 go-live. This has included Regional Data Centre Hardware installations, Regional Application Software Installations, Local Business Continuity Installation at all Trusts, 50% completion for Legacy NIPACS Storage and Regional DPIA Sign-off.

The Programme has significant capital and revenue payments for 2022-23 and achieved the payment milestones within the financial year. These payments have linked to target related performance of the supplier.

The programme has also worked with the Director of Finance in planning financial requirements for the 2023-24 financial year.



Dr Cathy Jack (Chief Executive Belfast Trust and NIPACS + SRO), Karen Bailey (Chief Executive Business Services Organisation BSO), Peter May (Permanent Secretary Department of Health), Joanne Allison (Interim NIPACS + Programme Manager and Laura Molloy (Senior project Manager with NIPACS +)

Looking Ahead to 2023-24:

NIPACS+ Programme deploys in two phases:

Phase 1: April – September 2023

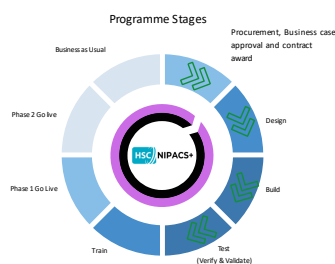
This will focus on the implementation of Radiology and existing NIPACS BAU Services. For the RVH and BCH sites BHSCT this will be a complete replacement of existing services. In preparation for this, the Programme will be focusing on:

- Workstation rollout workshops
- Software upgrade planning
- Testing
- Training
- RVH/BCH Radiology Modality connections
- NIDIS Integration
- Complete BCH and RVH RIS/PACS data migration

Phase 2: November 2023 – May 2025 (in tandem with encompass)

This will focus on the implementation of the Additional Imaging Specialties such as Cardiology, Obstetrics, Ophthalmology, Endoscopy etc. Each Trust will be implemented in tandem with the encompass Programme.

NIPACS+ Programme Stages



Project Overview

- Interim Programme Manager – Joanne Allison
- Capital Budget - £50M
- Revenue Budget - £75M
- ITS Staff Complement - 15
- Project Completion Date - Phase 1 Sep 2023

What is NIPACS + (NI Picture Archiving and Communications System)?

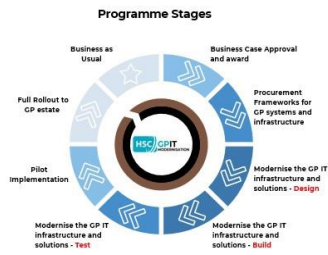
- The NIPACS+ Programme will deliver a single enterprise imaging solution for HSCNI which will improve patient safety, enhance patient care, support clinical diagnosis, strengthen clinical pathway planning and will contribute to the achievement of the critical recommendations of the NI Imaging Strategy.
- The NIPACS+ Programme will deliver cutting edge technology for our clinical staff and will deliver the first UK enterprise imaging service which will combine imaging from a diverse range of specialties including radiology, cardiology, ophthalmology, dentistry, obstetrics, endoscopy and medical photography etc.



GP IT Modernisation Programme

When the GP IT Modernisation programme is completed, General Medical Services (GMS) will have in place a significantly modernised and centrally managed ICT infrastructure that is secure, resilient, and highly available which meets industry cyber security standards.

A modernised GMS ICT infrastructure will be the basis for future ICT developments that enhance the delivery of GMS Services. It will be flexible to meet current and emerging requirements, both technically and service led. This will bring benefits of improved clinical care, ability to meet the changing requirements with GMS and provide safe integration with other HSC systems.



Project Overview

- Programme Manager - Adrian Higgins
- Capital Budget - £26M
- Revenue Budget - £28M
- ITS Staff Complement - 8
- Project Completion Date - 2028

Aim of the programme is to provide a reliable, safe, supported and efficient ICT infrastructure to enable GPs and other GMS professionals to deliver the services they provide now and will need to provide over the next 10 years. Current projects within the programme are GP IT Systems Migrations (including VDI), GP2GP, NI GMS ICT Framework Replacement and the GMS ICT Business Case 2023 – 2028.

Key Developments and Achievements in 2022/23

- Commencement of pilot for the GP VDI solution
- GP2GP rollout in EMIS practices has commenced
- New NI GP IT Futures Framework Procurement in progress while current contracts extended to March24 with GP Clinical System Suppliers
- GMS ICT Business Case 2023 – 2028 drafted and submitted to DoH for approval

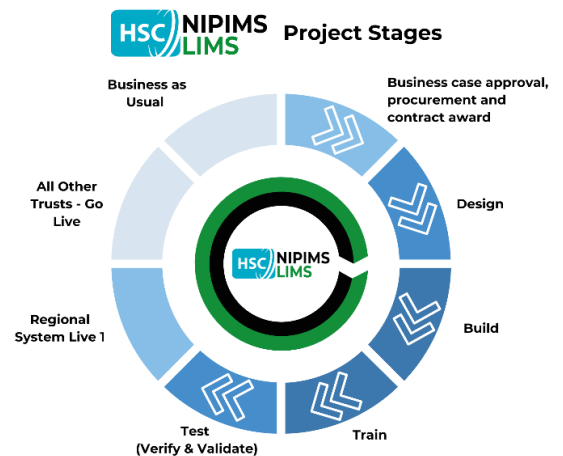
Looking Ahead to 2023/24

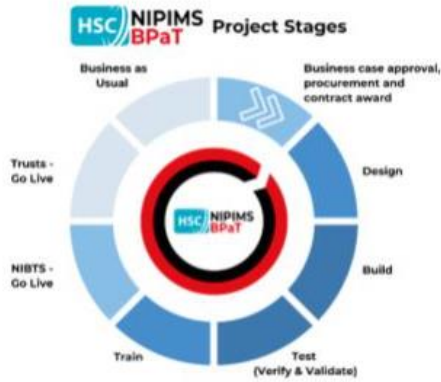
- Migration of all GP practices (systems and clients) to the new GP hosted environment in the HSC Data Centres
- GP2GP to go live for all practices
- Award of the new NI GP IT Futures Framework for the provision of GP IT systems in NI.
- Approval and implementation of new GMS ICT Business Case for the period 2023 - 2028

CoreLIMS

LIMS – is a new £40m Laboratory Information Management System (LIMS), that will significantly improve the delivery of clinical diagnostic services for key areas of healthcare. Health and Social Care (HSC) pathology services perform around 40m diagnostic tests in Northern Ireland each year, the results of which inform over 80% of all healthcare diagnostic and therapeutic decisions for patients.

- Core LIMS launched in September 2021 and awarded the contract to **CliniSys**
- Core LIMS has progressed into the Test stage
- The service is preparing for Regional System Go Live in Spring 2023





BPAT – The Blood Production and Tracking System will implement an electronic, vein to vein, Blood Production and Tracking solution that will be capable of tracking blood products from donor to final fate transfusion. The solution will also enable a regional shared inventory of all blood product stocks and a Donor Web Portal.

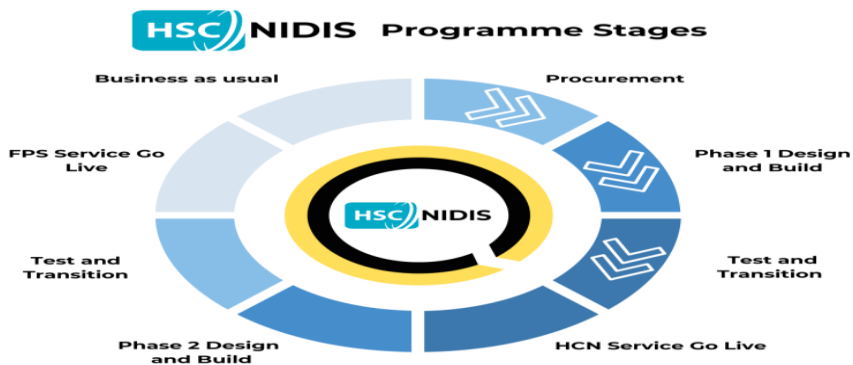
- BPAT secured business case approval in December 2021
- BPAT is preparing for procurement tender for advertisement March 2023 and expects contract award in June 2023



NIDIS - Northern Ireland Digital Identity Service

NIDIS is the new regional master data Management (MDM) solution for Northern Ireland, in the first instance (Phase 1) we will use the NIDIS solution to manage the HCN number and the Golden Record for patients in Northern Ireland.

In Phase 2 NIDIS will replace the Primary Care Registration functionality in National Health Application and Information Service (NHAIS) for our colleagues in FPS – this will modernise and speed up the process for patient registrations with GPs. In the future NIDIS can be used to develop a golden record on just about any entity the HSC wants to in the future, such as a Health Care Professional or a building or facility. The NIDIS programme is due to complete in mid-2024.



Integration

The BSO Integration team provide expert technical advice and use specialised technologies to provide integration services between HSC systems. The Integration technologies and methodologies used to provide integration between HSC systems include message brokers, structured messaging, extract, transform and load toolsets and web services.

Key Achievements and Developments in 2022-23:

Within the last year we have provided the wider HSC with new interfaces and support for existing ones whilst continuing ongoing work relating to Covid testing providing changes for CTR, CovidCert, nMabs and Siren. There was ongoing work in providing help and support to BSIMS to ensure that the recall process was back to pre-Covid processing in August 2022.

Looking Ahead to 2023-24:

The Integration Team will be developing and deploying new live interfaces to support the NIDIS and NIPIMS projects while migrating existing core functionality to new infrastructure.

ePHARMACY

The ePharmacy Programme includes the Electronic Transfer of Prescriptions [ETP] and an IT solution for Enhanced Community Pharmacy Services [ECPS].

Funding for the ePharmacy programme was postponed until 2026/27. This provided an opportunity to refresh the Programme approach. The Programme Board decided to prepare two separate project OBCs for ECPS and ETP, with the objective of securing funding for the ECPS project in advance of 2026-27. The ECPS business case is well developed and will be completed in August 2023.

Looking forward to 2023-24 objectives are:

- OBC review and approval for ECPS
- Issue a Request for Information (RFI) for ETP to the Market
- Completion of the OBC for ETP
- Complete work on the ECPS specifications
- Commence procurement planning for ECPS





Northern Ireland Electronic Care Record (NIECR)

32k

NIECR has a continual growth of users with 32k currently and projected 5k more this year – OBC predicted 10k



120

BAU delivery for a system with over 40 interfaces sitting on over 120 servers



NHS

We continue to work with Community and Independent sectors to facilitate the widening of NHS services on NIECR enhancing patient safety

IDS

Pilot of 'Immediate Discharge Summary' completed and changes based on feedback are currently being completed to facilitate rollout



2022

Upgrade project underway and at PID stage with a view to completion in September 2022



Approval

Awaiting business case approval. Noted on organisational Risk Register



HSC Business Services Organisation
Information Technology Services

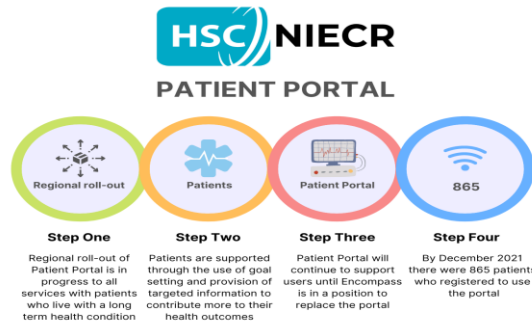


NIECR Programme

The Northern Ireland Electronic Care Record (NIECR) was introduced to bring together key information from health and social care records from throughout Northern Ireland in a single, secure computer system to provide better, safer, faster care.

The NIECR contains information from existing electronic record systems from hospitals and clinics throughout Northern Ireland, as well as some information which is recorded directly in the system.

The use of Electronic Care Records has been integrated into a range of health and social care IT systems to support the delivery of a significant number of primary and secondary care services.



Key Achievements and Developments in 2022-23:

- NIECR Server and Product Upgrade - Phase One of Upgrade Project successfully completed in February 2023 to upgrade to new infrastructure. Phase Two Upgrade to be completed by Spring 2023
- eTriage - enhancements were released in August 2022. This provided new functionality including Advice response letters sent electronically to GPs, internal referrals, and across Trust redirections
- Business Case successfully approved to enable NIECR to continue to align with Encompass full implementation
- NIECR has a continual growth of users with 33,000 current active users. This is attributable to the continuing success and effectiveness of the system
- IDS - Changes being completed as requested by 'Immediate Discharge Summary' Pilot Group
- NIECR plans to deliver high priority Generic Document Interface (GDI) requests

ITS (Data Centres)

BSO ITS manage the 2 HSC Regional Data Centres which host a range of HSC IT Infrastructure including all Regional HSC Applications.

Key Achievements and Developments in 2022-23:

The Financial Year 2022-23 has been a notable year for the Regional Data Centres in that a major Hardware Refresh Project completed by the end of March 2023

This project, the first of 2 major hardware refreshes over the 16-year Data Centre Project, included the refresh of servers, network and storage infrastructure. The new higher specification hardware will reduce the physical footprint and energy consumption in the Data Centres as well as providing capacity for growth over the coming years.

All Regional IT services, including the Patient Administration Systems (PAS) have been successfully migrated to the new hardware without any significant interruption to services.

Decommission of the legacy hardware is planned for early 2023-24.

ITS (NIFRS)

BSO ITS delivery IT Services to the Northern Ireland Fire & Rescue Service, including the provision of all Infrastructure Services and 4 dedicated full-time staff.

The Financial Year 2022/23 has been another positive year for the delivery of IT Services to NIFRS. The year included the completion of a number of values adding projects for the organisation and its users.

Key Achievements and Developments in 2022-23:

Replacement of Wide Area Network (WAN) across all 73 NIFRS sites, including bandwidth upgrades and full hardware refresh.

Implementation of a much-improved Virtual Desktop Infrastructure (VDI) environment for all 2200 NIFRS users, delivering a range of benefits including quicker access to all applications as well as facilitating the planned installation of modern application sets in 2023/24. The VDI environment will be supported by a dedicated VDI Team in BSO ITS.

Successful completion of the Active Directory migration project, which saw 2230 user and 1000 computer objects migrated from NIFRS legacy Active Directory environment to the Regional HSCNI Active Directory. This project delivered a range of operational benefits including significant improvements in NIFRS disaster recovery capability.

Server OS upgrades for several key Line of Business Applications completed.



- Team continued to support users following deployment of Office 365 throughout the year. Focus following roll-out was to provide timely, informed solutions to users to any issues that followed roll-out
- Development of relationships with other ITS support areas to speed up call response and develop process flow for call-handling
- Successful roll-out of MS Teams, training and support for Team Owners
- Continue to implement MFA registration for users
- Successful onboarding of new staff within department

Key Achievements and Developments in 2022-23:

Office 2010 Upgrade: 97% of BSO users completed

Exchange-on-Line: 4.5K users migrated

Office 365: 52K active users accessing one or more service

Microsoft Teams: MS Teams installed on 97% of BSO devices

Microsoft Teams Training: 33 sessions since June 2022 with 5.1K attendees

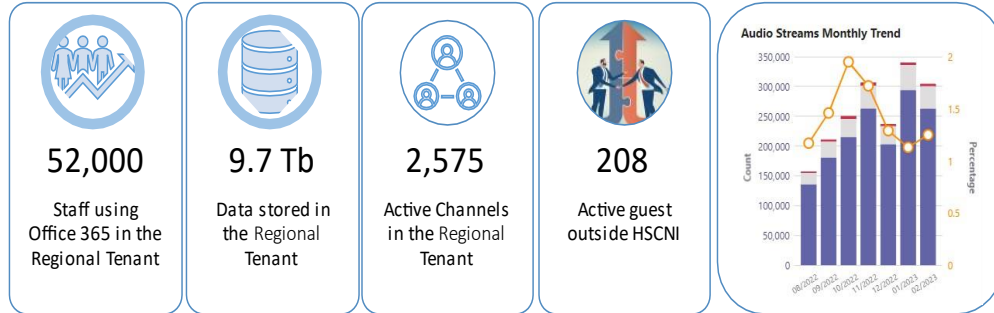
Service Desk Responses: 8.4K calls resolved March 22 – Feb 23

MFA Adoption: 85% of BSO users complete

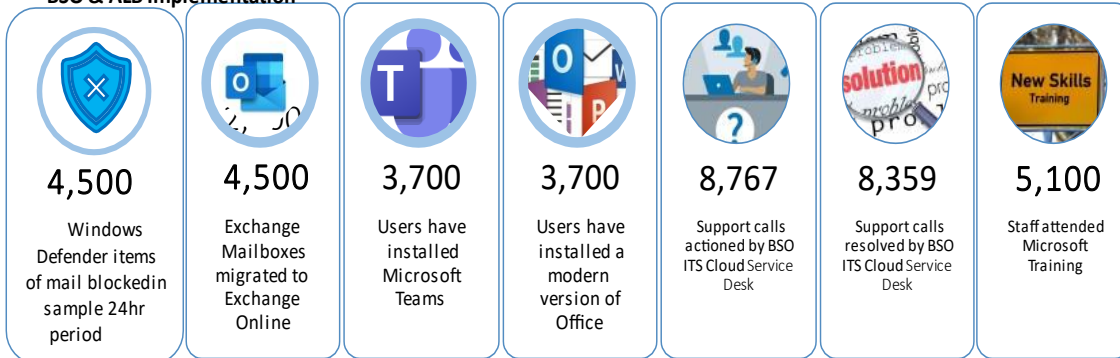
MS Defender: Typical daily sample reports 4.5k emails blocked

The financial year 2022-23 has been another positive year for the Technical Enablement Project Team.

Technical Enablement Project – Regional Summary



BSO & ALB Implementation



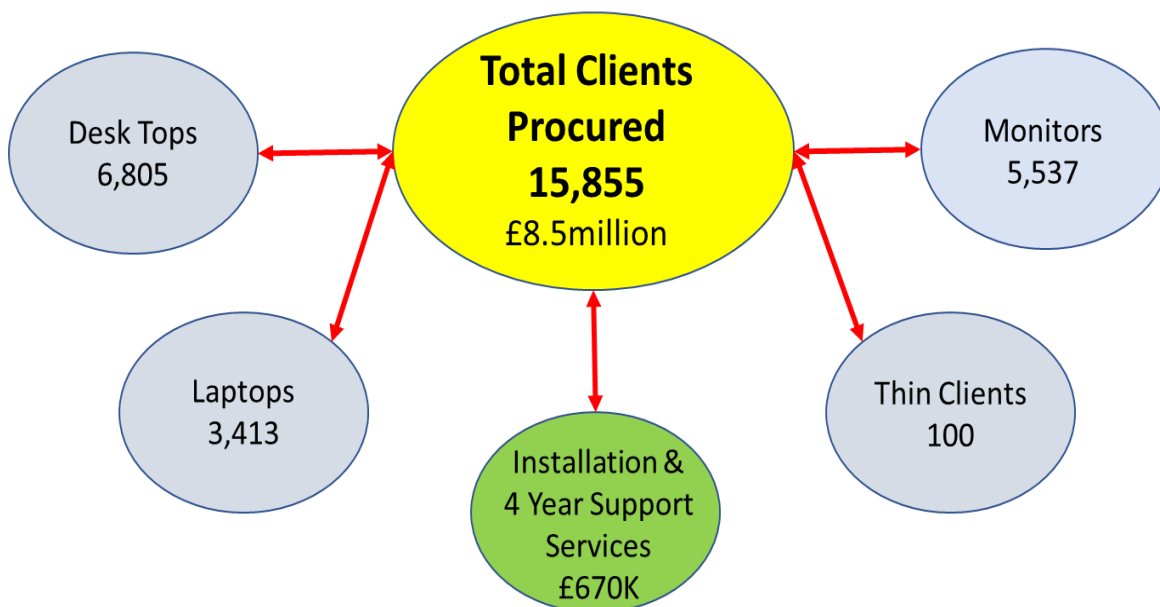
Looking Ahead to 2023-24:

- Ongoing Support & Training
- Continue user MFA registration
- Adoption of MS Teams: New Teams/Channels/additional training
- Transition to Operational State
- Microsoft Licence renewal 2024-27

PC Procurement Round 15 2022-23

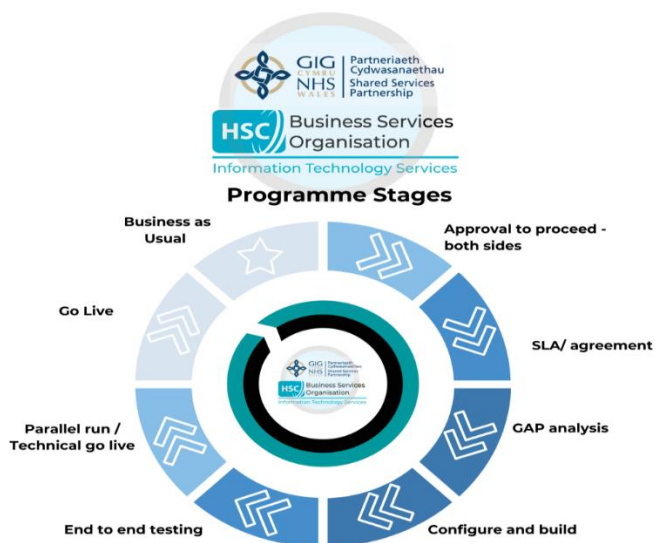
Following on from the successful procurement of PCs and IT equipment for HSC in previous years, a Round 15 for financial year 2022-23 was undertaken. Working in close partnerships, BSO ITS, and PaLS, supported by representatives in the Trusts and ALBs, successfully secured financing and procurement for the replacement of a total of 15,855 old, end of life client laptops and computers, plus ancillary equipment, installation services, and four-year support, at a total capital cost of £8.5million.

Summary of Round 15 Procurements



Keeping IT equipment up to date is a key requirement to support the security challenges facing HSC and the services they deliver. Round 15 is part of an on-going exercise to ensure an HSC client estate where no Laptop is older than 4 years, no Desktop older than 5 years and no Thin Client older than 8 years. As well as this, the results of the procurement exercise can be utilised by other projects as a secure and market-tested

Family Practitioner Payments Systems



The Business Services Organisation (BSO) and NHS Wales Shared Services Partnership (NWSSP) provide business support functions and specialist professional services to the health and social care sector in Northern Ireland and Wales respectively. NWSSP and BSO wish to establish a joint venture to promote innovation and shared learning between the two organisations. A common service is Family Practitioner Services (FPS) / Primary Care Services (PCS) to General Medical practitioners (GPs) across both regions. An initial vanguard programme will be the introduction of BSO's Family Practitioner Payments System (FPPS) to NHS Wales. The joint venture between Business Services Organisation Northern Ireland (BSO) and NHS Wales Shared Services Partnership (NWSSP) is a novel initiative that created a relationship of mutual co-operation and collaboration to support the sharing of resources and cost saving initiatives delivering customer focussed, cost effective, high quality and added value business services to the Health & Social Care sectors in both regions. We will promote a culture of continuous improvement and innovation that ultimately contributes to the health and well-being of the population of all of the citizens across our regions.

The Business Services Organisation (BSO) and NHS Wales Shared Services Partnership (NWSSP) system successfully went live in April 2022 and has seen a number of major enhancements and developments throughout 2022-23 with additional enhancements due throughout 2023-24.

ITS INTEGRATION

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Key Achievements and Developments in 2022-23:

Within the last year we have provided the wider HSC with new interfaces and support for existing ones whilst continuing ongoing work relating to Covid testing providing changes for CTR, CovidCert, nMabs and Siren. There was ongoing work in providing help and support to BSIMS to ensure that the recall process was back to pre-Covid processing in August 2022.

Looking Ahead to 2023-24:

The Integration Team will be developing and deploying new live interfaces to support the NIDIS and NIPIMS projects while migrating existing core functionality to new infrastructure.



HSC Digital will revolutionise digital delivery across Health & Social Care, unlocking the potential within our service for positive impacts on every patient, client, staff members, and stakeholder through reconfigured digital delivery.

It will do this by initially creating a single ICT delivery structure for HSCNI, with over 900 digital specialists providing services from BSO on behalf of our customers across HSC. This includes all digital staff supporting Trusts, Primary Care and Arms' Length Bodies (ALBs). HSC digital will support over 60,000 staff across HSC in Northern Ireland.

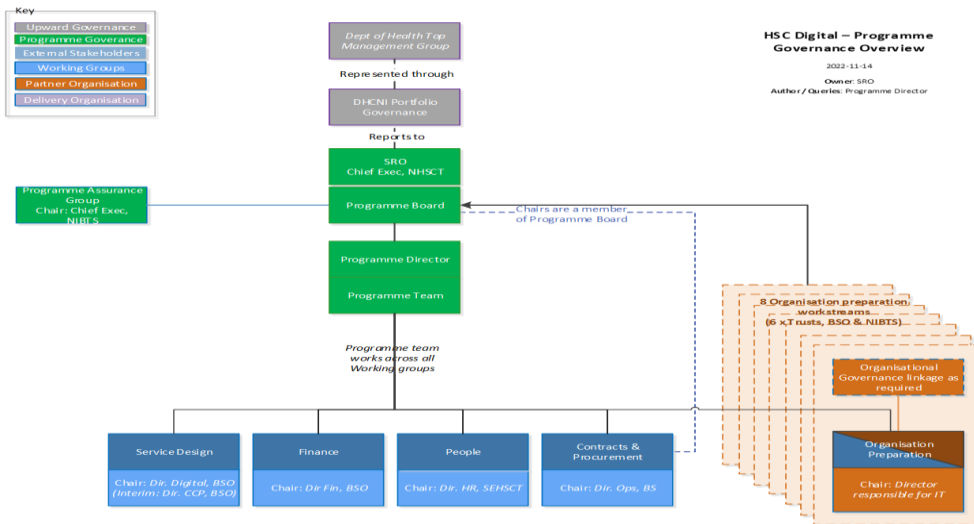
HSC Digital is the first output of the Evolve programme - a large scale, complex, multi-faceted, multiple stakeholder change programme. Evolve forms a key enabler of the HSC Digital Strategy 2022-2030 & BSO Digital Vision 2027.

Key Achievements and Developments in 2022-23:

The Financial Year 2022-23 has been an incredible productive year for the Evolve Programme, and we thank all the various stakeholders that have enabled us to make huge progress during the period.

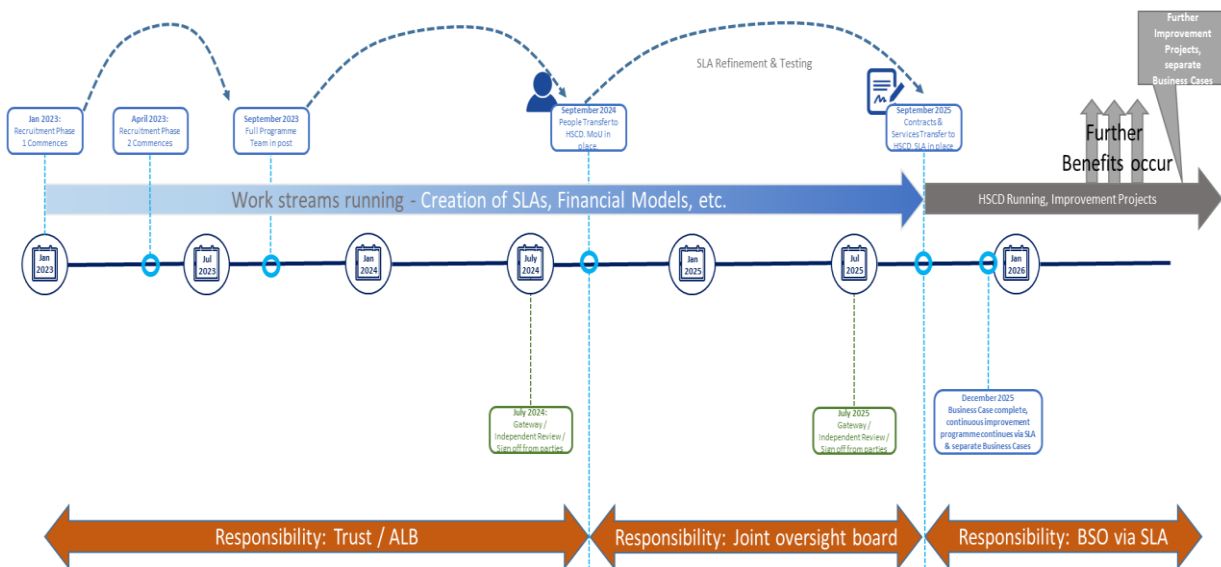
Governance Model

A governance model was developed and staffed, including over 100 stakeholders actively involved in membership on various boards, work streams and assurance groups. This includes Chief Executives, Trade Unions, IT delivery leads, and various Directors, working alongside commissioners, clinical and nursing.



Delivery Model

A delivery model was agreed through this governance structure, which is designed to realise the benefits of HSC Digital, but in a way that reflects the complex operational and wider portfolio change requirements of the system. This includes co-ordinating the design with multiple go-live dates, from both a digital and non-digital view.



Business Case Approval

The Business Case for the Evolve Programme was signed off during 2022-23, with a £10m investment over period 2022 – 2025 to create the significant change required across the system to make the HSC Digital vision a reality. We look forward to continued work with stakeholders across HSC in delivery of this Business Case.

Engagement with stakeholders

Alongside engagement across multiple individuals, teams and regional networks, (both virtual and in person), our popular “Town Hall Meetings” continue to regularly attract hundreds of participants.

When combined with the formal governance of over 100 stakeholders across 14 delivery groups, a wide network exists for the dissemination of understanding of the activity ongoing.

Looking Ahead to 2023-24:

The level of organisational and systemic change required in the next number of years to realise the HSC Digital vision is vast, as we move towards the first key milestone of people transfer occurring in September 2024.

Year 2023-24 will be about building the foundations of success for that transfer – including staffing the programme (both within BSO and within Trusts/ALBs), baselining digital activities ongoing, creation of SLAs to reflect that baseline, understanding and rationalising contractual landscape, and preparing various legal aspects of the transfer. It will also see a significant increase in communications activity, as dedicated resources address this crucial aspect of ensuring the success of this programme of change.



Karen Bryson
Director of Finance

Key Achievements and Developments in 2022/23

Amidst the budgetary and political challenges of the financial year, I am delighted to report that the continued resilience and teamwork within the Finance Directorate has enabled us across all functions of the Finance team to meet required targets and provide a high-quality service both internally, within the organisation and externally, to our valued customers. We have further developed our partnership approach to working whilst supporting the implementation of business change through the SPPG hosting arrangement, planning, reporting and monitoring budgetary needs, continuing to plan for future priorities with particular focus on digital enhancements and ensuring

compliance with accounting changes both for the current year and in the future. Throughout this, quality considerations remain at the forefront. The Finance Directorate have fully participated in the hybrid working pilot enacted in-year and will continue to operate within and shape the future hybrid model for the dual benefit of both the organisation and its people.

Financial Planning, Monitoring and Reporting



The BSO achieved its statutory breakeven requirements in 2022/23, arriving at a £45k surplus at the financial year end. During the 2022/23 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 whilst planning for future year efficiencies due to ongoing budgetary constraints. Budget holders continue to have access to online, drill-down monthly financial information and are

supported by Finance business partners. The total budget that was managed by BSO during 2022/23 was £273m. This was reported on to the Senior Management Team, BSO Board, DoH and managers monthly throughout the financial year. The total number of budget reports issued

for the year was in the region of 250. This includes BSO in-year delivery of regional programmes such as encompass of £43m and ITS Programme of £49m together with initiating involvement in planning for future HSC digital programmes through business partnering arrangements. In line with the Memorandum of Understanding in place for the BSO hosting of SPPG, SPPG budget is not managed by BSO but remains the responsibility of SPPG/DoH in line with governance and accountability arrangements. A new arm of Finance was established in-year to focus on the provision of BSO finance expertise for regional strategic programmes such as encompass and equip new financial system programme and future strategic initiatives.

BSO's financial statements for 2022/23, including the inaugural SPPG hosting arrangement, were approved by the Board on 22 June 2023 and were given a qualified audit opinion by the Northern Ireland Audit Office on the grounds of valuation of inventory due to unknown future demand of Personal Protective Equipment. With the exception of the basis for qualification, NIAO concluded that the financial statements give a true and fair view on all other matters and confirm the regularity of the financial transactions for the year ended 31 March 2023. Further detail is as contained within the Certificate and Report of the Comptroller and Auditor General.

Client Accounting

The Directorate continued to provide a range of financial accounting and financial management services during 2022/23 to a number of Arms-Length Bodies namely, PHA, NISCC, Children's Court Guardian Agency for NI (previously NIGALA), PCC, NIPEC, NIMDTA, RQIA as well as the newly formed SPPG (previously HSCB).



The Client Accounting team provided budgeting, financial management and forecasting services to NISCC, Children's Court Guardian Agency for NI, PCC, NIPEC, NIIMDTA and RQIA supporting them to monitor and achieve financial breakeven positions. The net expenditure reported through these accounts was £49.4m. In addition, the client accounting team supported NIMDTA managing funding with the Trusts of c.£128m following implementation of Single Lead Employer.

The team prepared full statutory financial statements at year end for these ALBs, liaised with internal/external auditors on their behalf, prepared supporting documentation during the year-end audit and provided information to support the preparation of the Annual Reports for these ALBs to ensure full compliance with financial reporting and governance requirements.

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 in-year was circa 35,000 amounting to £31.2m. The team participated in a working group and provided support and advice to the Department of Health to inform their policy decision on the implementation of an enhanced payment for Hepatitis C stage one to scheme beneficiaries. Furthermore, the team provided full support to the ongoing national public inquiry into Infected Bloods and consequently facilitated an interim compensation payment totalling £10.6m to NI scheme beneficiaries on behalf of the UK Government. In addition, the team continues to support the increase in Trainee Nursing places as directed by the Department of Health.



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, providing support to capital business case development and capital asset management. As well as provision of ongoing ITS Programme support, the Capital Accounting team provided advice and guidance in-year on accounting and budgeting for lease changes as a lessee to ensure that the organisation continues to be compliant with Government Financial Reporting Manual and budgeting guidance and appropriately builds into future business plans. The total Capital Resource Limit budget that was managed during 2022/23 was £82m.

Financial Services and Governance

The Financial Services team provided treasury management services to all HSC customers. The team also completes all balance sheet reconciliations for BSO and the ALBs to ensure financial control.

The team also supports the SPPG (formerly HSCB) through the monthly reconciliation and analysis of payments made for Family Health Services. The value of payments in the current year was £1,041m.

The Directorate services and supports the Organisation's Governance and Audit Committee (GAC) which meets quarterly. The organisation continues to strive for best practice governance across the organisation and seek out and implement changes and improvements in processes and practices alongside changing business needs and focus. BSO continues to be an active participant in the National Fraud Initiative (NFI) and have fully participated in the bi-annual exercise which has kicked off during the year and will continue into next financial year, investigating and reporting to the NIAO. The Directorate is also responsible for the wider issue of fraud prevention and detection within the BSO. We continue to work closely with Counter Fraud and Probity Services to ensure all fraud matters are being dealt with appropriately by the BSO including participating in-year in training for a revised fraud reporting system and new preliminary enquiry processes.



Looking Ahead to 2023/24

There will be a continuing need and focus throughout 2023/24 and beyond on the provision of high-quality value for money financial services delivering accurate, reliable, and timely information to support the strategic decision-making processes within both BSO and its

wider customer base through client accounting services. The Finance Directorate will continue to provide support and expertise to regional programmes with continued focus on encompass, EQUIP and HSC Evolve Programmes and supporting the significant growing ITS Programmes which are leading the continued move to streamlined digitalisation.

The ability to drive forward these strategic initiatives and deliver an optimum service both for the organisation and our customers is dependent on the availability of the required budget. We continue to adhere to requirements in terms of identification of further longer-term efficiencies through seeking out recurrent cash and non-cash efficiency savings and ensuring value for money remains at the forefront of decision-making. These important decisions and business changes will be supported by the new corporate operating model in place from 1 April 2023. I look forward to working closely with colleagues across BSO, the wider HSC and DoH.

The BSO Internal Audit Unit provides an internal audit service to all HSC organisations and the Northern Ireland Fire and Rescue Service. 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 9001:2015 quality standard.

Key Achievements and Developments in 2022-23:

- The key objective of the service is to ensure the delivery of the Internal Audit Annual Plans to all client organisations, resulting in the provision of a Head of Internal Audit overall annual opinion on the adequacy and effectiveness of each client organisation's framework of governance, risk management and control. This key objective was achieved within the required timeline, despite significant resourcing challenges during 2022-23, which resulted in the need to defer a small number of audits across a number of clients

Looking Ahead to 2023-24:

- During 2023-24, our focus will be on increasing staffing stability and maintaining our high-quality service to clients. Internal Audit has commissioned the HSC Leadership Centre to undertake a review of the Unit structure

Directorate of Legal Services



The BSO Directorate of Legal Services (DLS) provides legal services to our clients across the public Health and Social Care Sector (HSC) in Northern Ireland. This year, a total of 125,000 hours of legal support has been provided to our clients.

DLS has specialist legal teams and a professional dedicated support team providing legal solutions in areas of employment law, personal injury litigation, commercial/procurement & property, clinical negligence, inquests & inquiries, family law (children's cases), judicial reviews, mental health law (including tribunals), Mental Capacity Act,

debt recovery etc.

We currently manage over 11,000 active cases, including 4 Public Inquiries, therefore it is critical that our service delivery supports and meets the needs of our clients.

2022-23 has been a busy time right across DLS with the Courts and Tribunals returning to close to normal business following the most challenging period of the Covid-19 pandemic. This period has seen ongoing work to support clients in the Infected Blood, Muckamore Abbey Hospital and Urology Public Inquiries as well as the launch of the national Covid-19 Inquiry. We have also continued to support many of the major regional IT programmes such as encompass, Equip, NIPACS+, LIMS and NIDIS. Our specialist Mental Capacity Act solicitor team has continued to develop our service in this new area of law working in close partnership with our Trust clients.

The successful delivery of the array of legal services outlined in this Annual Report is only possible through the hard work from our dedicated and professional staff team. We are hugely grateful to our staff for their tireless commitment to our work and our HSC clients.

Key Achievements and Developments in 2022-23:

There have been a number of highlights throughout the past year from across the Directorate including:

Debt recovery, Savings and Cost Avoidance

- Highest ever recovery of HSC debt (including residential charges) - total amount recovered = **£3,202,900***. All payments are made directly to the HSC clients and are treated as Trust income
- Reductions on damages (i.e. sums paid as against sums claimed) – total reductions = **£15,195,288.25***
- Negotiated savings on third party costs – total savings = **£2,552,530.18***
- Savings on counsel's fees due to DLS counsel panel arrangements – total savings = **£787,153.77***
- Savings on Compensation Recovery Unit (CRU) charges following appeal or review – total savings = **£529,543.95***

*figures calculated to 28th February 2023

Legal Support to regional programmes and projects

- Providing legal support to the NIPACS+ project- contract award made to Sectra Limited in July 2022 with a value of circa £145 million. This is the first system in the UK region to combine pathology and radiology images and reports in the same medical imaging system
- Provision of legal advice on IT Regional Programmes (encompass, equip, BPaT) with estimated value of £600m
- Provision of legal support for Licences at James House with the relocation of BSO, NIPEC, NISCC & RQIA staff (photo 1)
- Legal support to South Eastern Trust from 2014 in preparation for the opening of the new £40 million Lisburn Primary and Community Care Centre in February 2023 (photo 2)
- Ongoing legal support for Licences and extensions for Covid-19 Vaccine Centres



New and developing areas of legal services

- Expansion of the Family Law services which includes legal advice relating to unaccompanied asylum seeker children (UASC)
- Dedicated team in place providing advice and guidance on the interpretation of the Mental Capacity Act legislation and processes
- In conjunction with the Leadership Centre and PaLS, DLS have supported the design and delivery of the new Regional Commissioning Leaders Programme
- Dedicated legal team in place to deal with Neurology clinical negligence claims as efficiently as possible in line with Departmental commitments

Service improvement projects

- Improved general legal advice queries process, including a rota for urgent queries requiring legal advice within 24 hours
- Streamlined processes for handling clinical negligence and personal injury claims
- New inhouse SharePoint library and enhanced training for shared learning regarding Mental Health Law

Creation of new Inquiries and Inquests Team

- A new Inquiries and Inquests team was created in DLS to support growing demand from our clients for legal support within this area, bringing together a team which consists at present of 10 Solicitors and 3 Administrative staff

Launch of DLS Transformation Programme

- Formation of the DLS Transformation Programme team and Board setup to support the implementation of the outcomes from the Strategic Review in 2021
- Launch of the DLS Customer Forum with quarterly meetings scheduled throughout 2023.
- Launch of 5S programme in Central Legal Team with programme completion Q3 2023



Wellbeing initiatives

Formation of a DLS Health and Wellbeing Group that aims to promote, identify and signpost ways to support the wellbeing of all staff throughout the Directorate. The group aims to create a culture of health and wellbeing throughout DLS as well as creating a more energised, supportive engaged and happy work environment.

Learning and Development

- Monthly Lunch & Learn sessions to ensure inhouse continuous professional development for DLS staff
- Team Based working workshop completed with DLS senior leadership team
- 1 x successfully completed apprenticeship and is now a qualified solicitor



Caitlin Turnbull pictured at her Institute of Professional Legal Studies Graduation

Looking Ahead to 2023-24:

In considering the year ahead, DLS will continue to further develop and improve its services to clients. Our focus will be on:

- Continued implementation of the DLS Transformation Programme throughout 2023-24
- Confirmation of organisation structure for stability of the team
- Business case approval and procurement of a modern Digital Case Management System
- Launch of the DLS Team based working & leadership development programmes
- Continued development of the new Inquiries and Inquests Team
- Development of improved KPIs and reporting structures to clients along with improved customer engagement
- Embedding new areas of legal services

Human Resources and Corporate Services



Mrs Paula Smyth
Director of Human
Resources & Corporate
Services

BSO Human Resources provides a full range of HR and Organisational Development services to the BSO and a number of HSC Client Bodies. We provide information, advice and support to managers and staff on recruitment and selection, employee relations, learning and development, pay and conditions, workforce information, attendance management and health & well-being support. HR Business Partners are affiliated to a number of service areas/clients to provide strategic advice to the business area. We provide support to both BSO and HSC Client Bodies to enable transformational organisational change. This begins with supporting management develop organisational plans and strategies through to consulting and engaging with staff and trade unions and the implementation of change.

We work in partnership with Trade Unions and regional HSC colleagues to help deliver the best possible outcomes for our staff.

Key Achievements and Developments in 2022-23.

CIPD Awards

The HR Team made the shortlist for two CIPD Awards, Best Change Management Initiative (National and NI Awards) and Best Resourcing and Talent Management Initiative (NI Awards). The team were delighted with this recognition by their professional body.

Investors in People (IIP) Review

12 months after the accreditation, BSO is continuing to deliver against the IIP standards. The Learning and Development team lead the organisation in ensuring the standards are lived out across all the service and corporate functions.

The IIP Consultant noted “It’s clear to see your commitment to further strengthening aspects of people management and development in the organisation, with many of the actions taken and planned drawn from assessment feedback.” IIP Consultant



Appraisal Compliance

BSO HR have supported the development and design of a meaningful appraisal system for use by all staff. Through the provision of the paperwork and training of staff, BSO has achieved **95.74%** of staff to have had an appraisal in 2022-23. Our aim for 2023-24 is to get more of these completed in the first quarter.

HR Portal & HR Query Form

In 2022 the HR SharePoint site was launched along with a query form to give staff and managers the answers to their HR queries instantly. There have been 125,809 hits on the SharePoint site since its launch and 302 queries received and answered through the query form freeing up time for HR staff to focus on other work.

Policy Development

Responses to the staff 'Working from Home Survey' helped shape a new 'Hybrid Working' pilot scheme that was agreed by the Senior Management Team and rolled out in September 2022.

A new Annual Leave Policy, Covid management guidance, revised Secondment Policy, and updated Grievance Policy were developed and launched.

The regional Disciplinary Policy, which provides a framework for achievement of a Just Culture approach through supportive, constructive and fair evaluation of the actions of employee involved in an incident, error, concern or complaint was also introduced.

International Recruitment

BSO International Recruitment team led on management and co-ordination of regional international recruitment activity achieving 98% of the target for annual international nurse arrivals, despite the majority of funding not confirmed until quarter three.

Looking Ahead to 2023-24:

- Launch of Learning Management System April 2023
- BSO People Strategy and Action Plan

Our long-awaited People Strategy is due for launch in April 2023. The strategy will span from 2023 to 2026 with annual action plans. The objectives are to make BSO a great place to work where there is a positive culture and our values are lived every day.



We want to become an organisation where the Collective Leadership ethos is evident cross all directorates and at all levels and transform the organisation to one that is future-proof both digitally and with our workforce. Importantly, the strategy will enhance the experience of staff through better development opportunities and focusing on staff health and wellbeing.

- Preparation for BSO's second Leadership Conference in June 2023
- Develop a Workforce Planning Strategy and enhance workforce analytics to support the transformation agenda in BSO and client organisations
- To support the digital transformation agenda through active participation in the equip Programme and developing people solutions to enable the delivery of encompass and evolve

The Corporate Services department supports the BSO Senior Management Team in enabling the Business Services Organisation (BSO) to deliver on its strategic goals and significant transformation agenda. The department is responsible for the strategic development and management of a portfolio of core range of corporate services to the Business Services Organisation (BSO) including Data Protection Office (DPO) service, Information Governance, Health and Safety, Fire Safety, Estates/Asset Management, Environmental Management, Complaints Management, Whistleblowing, Emergency Planning and Business Continuity Planning.

The Corporate Services Department also manage the delivery of a number of these services to its customers, including DPO service, Information Governance, Health and Safety, Fire Safety and Estates/Asset Management.

Information Requests

During the 2022-23 year, the Information Governance team processed 815 requests for information, via:

- The Freedom of Information Act (2000)
- Data Protection Legislation
- The Access to Health Records Order (Northern Ireland) 1993

This is a decrease from 999 in the 2021-22 year.

Data Breaches

During 2022-23, there were no BSO data breaches reported to the Information Commissioner's Office (ICO). This is a decrease from two in the 2021-22 year.

Complaints

During the 2022-23 year, the Complaints team has dealt with 63 formal complaints. This is a decrease from 64 in the 2021-22 financial year. “Lessons learned” reviews are carried out after each complaint where appropriate. Complaints are analysed to identify trends and reported to the Business Development Committee of the Board on a quarterly basis. An annual complaints report is produced for consideration by the full Board.

The team has delivered on required service improvements to the extent that all complaints related audit recommendations have been closed. These actions have undoubtedly strengthened the governance arrangements in BSO’s handling of complaints.

We have developed a complaints awareness eLearning module and this is now live on the learning platform for staff to access. This training will be mandatory for all staff.

Key Achievements and Developments in 2022-23:

The Corporate Services department successfully managed the exit from Centre House property lease and the transition of over 300 BSO staff into the NICS James House Property – such is the professionalism of the team the NICS requested BSO staff to manage the day to day running of the property on their behalf.

The Estates team actively supported all BSO sites as staff returned to the office including purchasing and deploying Air Purifiers across BSO sites to both monitor and improve Indoor Air Quality.

UK General Data Protection Regulation (UK GDPR)

The Corporate Services department developed a range of actions to continue compliance against UK GDPR, including:

- Awareness campaigns for staff
- Continued review of existing policies and procedures

- Enhanced reports and information available to client organisations
- Collaborative working with regional colleagues on HSC-wide initiatives and projects

Looking Ahead to 2023-24:

BSO Franklin Street headquarters will undergo renovation works to ensure that all space is fully utilised in line with the BSO Hybrid Working Pilot. All BSO Office sites will be reviewed in order to maximise space utilisation as outlined in the BSO Asset Management Strategy. The desk and room booking application will be rolled out across all BSO Office Locations to that we can effectively manage space.

Information Governance

We will continue to work with regional colleagues, with the aim of streamlining IG process across the region. We will also continue to work both internally within BSO, and with our client organisations, to promote compliance with relevant legislation and good practice.

Complaints

The Complaints Manager is currently in the process of revising the BSO Complaints Policy to ensure that it remains in line with Department of Health Guidance on handling complaints and to ensure that the policy and associated procedures remain accessible to all service users. This will be presented to the BSO Board for approval on completion of the process.

We will continue to work across the BSO to promote good practice and ensure that lessons learnt from our complaints are implemented so that we are providing an optimum service to our users.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 and 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 the 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, unless it is inappropriate to presume that the Business Services Organisation will continue in operation.
- 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 Department of Health 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 regularity and propriety 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 Accounting Officer, I can confirm that the Executive Directors and I have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditors of Business Services Organisation 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

1.1 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.
- **Memorandum of Understanding** in order to set out BSO hosting arrangements of former Health and Social Care Board (HSCB) staff following its closure and the establishment of the Department of Health's Strategic Planning and Performance Group (SPPG).
- **Service Level Agreements with Client Organisations** to manage the working relationships with, or within, the Department of Health's Strategic Planning and Performance Group (SPPG), 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. 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 Programmes

Individual ICT projects are commissioned from BSO Information Technology Services (ITS) by Digital Health and Care Northern Ireland (DHCNI) within the DoH in the context of the Regional HSC Digital Strategy. BSO is responsible for ensuring that programme funding is spent in line with the annual spend projections agreed between BSO and DHCNI and reported to DoH.

Administered Services

On instruction from the DoH, BSO undertakes payment arrangements for a range of services, namely, Bursaries for Nurse Training, Infected Blood Scheme, Healthy Start Initiative, Supplement for Undergraduate Medical and Dental Education (SUMDE) and Regional Training Schemes for which total funding of approximately £37.8m (is received via the Revenue Resource Limit (RRL). BSO also makes payments for Interpreting Services on behalf of SPPG totaling approximately £4.6m.

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 September 2022. 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 2022/23 highlighted 3 actions for which an action plan was put together in March 2023.

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. 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 2023

Board/Committee	Number of meetings	% Attendance
BSO Board	10	91
Governance and Audit	4	94
Remuneration and Terms of Service	4	100
Business and Development	5	84

The attendance of officers at the BSO Board in 2022/23 is shown in the table below:

	No. Meetings Attended	No. of possible Meetings
Non-Executive Directors		
Julie Erskine	10	10
Mark Campbell	9	10
Patricia Gordon	10	10
Sean McKeever	9	10
Prof Dorothy Whittington	9	10
Robert Bannon	9	10
Executive Directors		
Karen Bailey	9	10
Karen Bryson	10	10
Paula Smyth	8	10
Martin Bradley	9	10
Mark Bradley	8	10
June Turkington	10	10
Karen Hunter	1	2

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 2022/23 assessment was carried out in January 2023 and whilst it encouraged healthy discussion and an action plan for continuous improvement it did not indicate any significant issues.

3.3 Role of the Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is chaired by the Chair 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 Arms 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 17 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 check progress periodically throughout the year. The BSO also uses the Business Plan internally to guide actions 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 amount of risk the BSO is willing to accept, known as 'risk appetite' varies depending on each individual risk. Risks broadly cover financial, infrastructure and our workforce. No system can be risk free and the BSO's strategy is to focus on the effective management of known risks to support efficient service delivery. We will not accept risks that could result in poor quality service, non-compliance with standards or poor professional practice.

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 and/or team sessions are available for any services areas who would like support/training on completion of the risk register. A new Risk Management on-line training module was introduced in 2020/21.

5. Information Risk

The European Union General Data Protection Regulation (EU GDPR) took effect across Europe on 25 May 2018. While the UK has left the EU, the UK version of the EU GDPR still applies. 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.

Reports are provided to SMT and the BSO Board through the Business and Development Committee. The Chief Legal Adviser is the Personal Data Guardian for the Organisation whilst the Director of Human Resources and Corporate Services is the Senior Information Risk Officer. BSO also has a designated Data Protection Officer.

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.

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 and Information Flow Mapping.

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.

BSO is committed to ensuring appropriate cyber security is in place, managed by the BSO ITS regional security team. BSO had been commissioned to lead the HSC Cyber Programme which is an ongoing formal and comprehensive programme of work across the HSC with senior representation on the Cyber Programme board, including the Senior Information Risk Owner and Digital Director supporting the regional programmes of work.

Mandatory training is available 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. 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. In 2022 a Strategic Customer Forum was established with the purpose of providing a platform for the BSO and its Trust customers to work together in partnership to improve the quality of BSO services in line with customer needs, provide the opportunity to discuss customer needs at a strategic level and set the strategic direction for BSO and its customers.

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, so that service improvement measures can be made if necessary. Throughout 2022/23 Board meetings were conducted through a combination of virtual and in-person meetings. During this financial year, BSO held one Board meeting at its Recruitment Shared Services premises to accommodate a visit by the DoH Permanent Secretary to this Service Area. It is planned to explore further Board meetings being held at BSO Service Area sites throughout 2023-24.

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 April 2023.

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. In addition, BSO have an effective whistleblowing policy in place that adheres to the regional HSC Whistleblowing Policy. The regional policy is currently being reviewed and revised by the DoH and HSC organisations, including the BSO. The whistleblowing policy is underpinned by The Public Interest Disclosure (Northern Ireland) Order 1998.

Internal Audit undertook a comprehensive review of the Schedule of Assurances in September 2021. The Schedule of Assurances outlines the assurances provided to BSO Board/SMT/GAC/BDC and Customers and their reporting Schedule to ensure that clear reporting lines and defined purpose is in place for all groups within the governance structure. These assurances have been implemented and working in practice throughout 2022-23.

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 continues to be compliant with the requirements outlined in the Departmental Circular HSS (F) 67/2006.

8. **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 two years.

9 Personal Protective Equipment (PPE)

Throughout the pandemic, the provision of health services to protect the population to ensure patient and health staff safety was a key priority across the HSC. On behalf of the DoH, BSO Procurement and Logistics took a lead role in the emergency response to the pandemic through procurement and distribution of PPE across health care settings.

In 2020, extensive PPE demand modelling was undertaken by PHA in conjunction with the DoH to predict future demand needs during the pandemic. This ensured that the volumes of PPE to be procured and distributed across HSC including provision to primary, secondary, independent sector and social care settings would meet the modelling recommendations. Presently, significant levels of PPE stock are held within BSO's inventory balances as disclosed within Note 10 of the financial statements within these Annual Report and Accounts.

Following remodelling in 2021 and subsequent further revisions to procurement levels in June 2022 in line with Chief Medical Office and Chief Nursing Officer agreed national infection prevention and control measures, there are two PPE items which continue to be held in large volumes within BSO warehouses and have created an overstocking position of PPE facemasks. Presently, the estimated value of such items that are at risk is in the region of £43m, although this is prior to application of a number of planned mitigations. There has been a natural reduction in demand post-pandemic, further exacerbated by the recent PHA guidance on revised infection prevention and control measures for Covid-19 in health and social care settings issued in March 2023 and DoH direction on supply to independent sector, which represents circa 35% of BSO's supply. Usage may continue to fluctuate over time based on the latest and any future changes in PPE guidance and the

occurrence of future disease outbreaks or pandemics. BSO have implemented a number of reactive and preventative mitigations in order to reduce risk of compounding the overstock position. Amongst the measures are product re-living to extend shelf life, working with suppliers to slow production schedules, review and termination of contracts and continued supply to the independent sector.

BSO continue to operate close control over inventory and further action will be taken in the coming months and years in order to seek to avoid any unnecessary financial loss to the HSC and wider public sector. BSO will continue to work closely with the DoH and in line with up to date guidance on this matter including planning for and production of a strategic business case for disposal and prevention of obsolescence.

10. Sources of Independent Assurance

The BSO obtains Independent Assurance from the following sources:

10.1 *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 2022-23 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. Although satisfactory assurance was obtained, the Head of Internal Audit highlighted the importance to note that limited assurance had been provided for a number of areas and the requirement for prompt management action to address the significant issues raised. Limited assurance reports have been discussed at BSO SMT with a commitment given to focus on implementation of recommendations within the financial year. Details in respect of all audits undertaken in the financial year are set out in the table below and narrative on any limited assurance provided. Internal audit also carried out overview work on the integration of SPPG in-year however this did not form part of the assurance work detailed below.

Furthermore, as part of the SPPG hosting arrangement which commenced on 1 April 2022, below sets out any internal audits undertaken within SPPG in-year which relate to elements of the BSO hosting arrangement given that SPPG staff are employees of BSO. As the DoH hold the governance accountabilities for SPPG, the assurances received by SPPG around any staffing aspects of SPPG internal audits do not form part of BSO's overall satisfactory assurance but are included within a separate table below for transparency.

Table 2: Internal Audit Reports – Level of Assurance

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS	
Finance Processes (<i>specifically Staff in Post process, management of additional payments to staff, Non-Pay Expenditure including use of Direct Award Contracts and the management of non-HSC/DoH income</i>)	Satisfactory
CORPORATE RISK BASED AUDITS	
Family Practitioner Service – Ophthalmic Payments	Satisfactory
PaLS – Procurement	Satisfactory
IT Cyber Security	Confidential
Human Resources	Limited: Mandatory Training, Recruitment within BSO, Senior Executive Pay Processing Satisfactory: Absence Management
GOVERNANCE AUDITS	
Claims Management	Satisfactory
Equality	Limited
SHARED SERVICE AUDITS	

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Payroll Shared Service	<p>Satisfactory: Elementary PSC processes (specifically current overpayment administration, regular pre-closedown checks, manual timesheet management, pay awards, industrial action pay reductions, sickness absence payments, new starts, protections, file access)</p> <p>Limited: SAP / HMRC RTI Reconciliation; Historic Sickness Absence; Net & Historic Overpayments Backlog; Holiday pay and sickness absence payments specifically in relation to Agenda for Change 13.9 & 14.4</p>
Recruitment Shared Service	Limited: Recruitment processes
Accounts Payable Shared Service	Satisfactory
Business Services Team	Satisfactory

Strategic Planning and Performance Group – Internal Audits involving Staff or associated costs falling within BSO under the hosting arrangement:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS	
Management of SPPG Ledger and Assurance Provision to BSO 2022/23	Satisfactory

10.1.1 Human Resources

Absence management was given a satisfactory assurance. Mandatory training, HR processes around recruitment and senior executive pay processes around payment of 2018-19 and 2019-20 pay awards were provided with limited assurance for 2022-23. This was due to at the mid-point of the financial year, 68% of BSO employees had not completed the full suite of mandatory training courses. This monitoring statistic excludes agency members of staff. Panel member training on recruitment was identified as requiring improvement in ensuring completion of the two parts and sufficient record of training having been undertaken in all instances for both the e-learning module and the face-to-face training conducted by HR. Internal key performance indicators are not in operation within HR for recruitment in relation to time taken to process job requests prior to submission to Recruitment Shared Services. The timeliness of communication on

interview panels and shortlisting was also identified as an area for improvement. With regards to the senior executive pay processes, a margin of error was identified and whilst this has led to following recovery of overpayment processes, it has also led to emphasis on the need to strengthen verification processes.

10.1.2 Equality

This internal audit returned a limited assurance opinion. It was identified that there is opportunity for improvement in the areas of Service Level Agreements with clients in the area of Equality services. There is a need for more clearly defined roles and responsibilities within the Equality Unit. Internal Audit identified the need for improved reporting on equality issues, corporate key performance indicators in respect of equality and equality impact assessments.

10.1.3 Payroll Service Centre

Elementary Payroll Service Centre were provided a satisfactory assurance. However limited assurance was achieved in the areas of SAP/HMRC RTI reconciliations, holiday pay, sickness absence and overpayments. The Payroll Quality Improvement Programme (PQIP) has sought to deliver significant change in to payroll processing; however, two key areas have significant work outstanding to date – RTI reconciliations and holiday pay. Plans are ongoing to address these issues as agreed through the Business Systems Forum. There is a need to ensure project-dedicated staff.

10.1.4 Recruitment Shared Services

Recruitment Shared Services received a limited assurance around recruitment processes. The recruitment systems in place were identified as not sufficient to meet HSC recruitment needs; there is a need for multiple systems to facilitate thus the end-to-end process for recruitment under the current operating model requires refinement as it is not fit for purpose. There have been resourcing issues which has led to a back-log of pre-employment checks. A crisis response team has been established within Recruitment Shared Services and a task and finish group has been put in place by the Senior Management Team to address the issues.

10.1.5 *Prior Year Recommendations*

During their year-end follow up of outstanding audit recommendations and recommendations from advisory assignments, Internal Audit found 271 (80%) of the 339 recommendations followed up were fully implemented, a further 43 (13%) were partially implemented, and 25 (7%) were not yet implemented.

10.2 *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. To support NIAO's assessment and provision of assurance on BSO operations for the financial year, they engaged a subcontracted audit firm to carry out IT and non-IT controls testing across the shared service areas provided by BSO. A representative from the Northern Ireland Audit office attends the BSO GAC meetings.

10.3 *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.

11. *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.

12. Internal Governance Divergences

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

12.1.1 Underpayment of Employers' Superannuation Contributions

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. Whilst the system solution at this stage did not address the requirement in full, sufficient additional manual processes were implemented to obtain regional agreement that the control divergence was addressed.

A further system fix was applied in November 2021 going forward which amended manual processes to ensure correct calculation of employers' superannuation. Manual retrospective calculations were completed for the period April 2019 to November 2021, and adjustments made to the payroll in March 2023. Given that the systemic historic issue has been suitably addressed and the calculation is now confirmed as operating effectively with no further issues arising, this is no longer considered a control issue and is closed.

12.1.2 Interface from Payroll Systems to Pensions Systems

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 had been operating as per design, errors were occurring due to incomplete information within the payroll system identified at that time. At December 2017 there were approximately 7,500 data queries. Further change requests were tested, signed off and implemented to enhance the information sent via the interface during 2022 and to provide management with satisfactory assurances on effective operation of the interface. Outstanding queries have steadily reduced and currently now sit at around 800, and relate to business as usual activity. Consequently, this is no longer considered an internal control issue.

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

All prior year control issues are considered closed.

12.3 Identification of new control issues

The following issue both arose and was closed during 2022-23:

12.3.1 Finance, Procurement and Logistics System Outage

On 4 August 2022, the Finance, Procurement and Logistics (FPL) system used across all HSC organisations was among the clients of a UK company affected by a threat of cyber-attack. There was no evidence of any impact inside HSC networks and systems, but as a precaution access to the company's services from the HSC was disabled whilst the incident was contained. Business contingency measures were instigated for all affected HSC

organisations. The priority was to maintain business continuity and keep disruption to a minimum.

The outage lasted 11 days during which the BSO Procurement and Logistics Service, Accounts Payable and Accounts Receivable teams worked very closely with all HSC customers to roll out business continuity arrangements promptly. These arrangements worked exceptionally well, without the need to set up an Incident Control command structure. A risk assessment was completed to capture ICT actions taken to reduce the regional risk. The incident was added to the BSO's Corporate Risk Register.

When the required assurances were received from Forensic Analysts who investigated the third-party supplier, regional Senior Information Risk Owners took the collective decision to re-connect the HSC network to the third-party supplier on 16 August 2022. Contingency arrangements were successfully invoked to make appropriate offline payments for business continuity purposes, however the implications of recovery impacted the prompt payment performance for the year. The issue has been addressed successfully and the control issue closed in-year. BSO remain committed to ensuring robust and appropriate cyber security is in place across its various programmes of work.

13. Budget Position and Authority

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

14. SPPG

From 1 April 2022, BSO provide staff services to SPPG under a hosting arrangement to DoH whereby DoH's SPPG staff are in effect employees of BSO. The responsibilities and obligations of BSO's hosting arrangement and that of DoH are as set out within the agreed Memorandum of Understanding between DoH and BSO in relation to the former HSCB employees. The hosting arrangement has resulted in 2022-23 being the first financial year

where SPPG staff and associated costs form part of BSO annual report and accounts. This results in additional funding being provided to BSO by DoH to cover the costs. The governance accountabilities of the SPPG lie with DoH. BSO has obtained an appropriate declaration of assurances from SPPG covering the financial year in the areas of business planning, risk management, accuracy and regularity of expenditure, fraud, internal controls, information governance, internal audit, staffing resources and recruitment to inform and be able to place reliance on the inclusion of SPPG staff hosting arrangement within BSO's annual report and accounts.

15. Direct Award Contracts

BSO has a Direct Award Contracts (DAC) Register which is maintained by the Chief Executive's office. Since April 2022 total of 48 DACs were completed by BSO in 2022/23 with a combined value of approximately £6.7m. Publication returns have been completed throughout the year to BSO PaLS in respect of DACs with an individual value in excess of £30,000. The Governance and Audit Committee is routinely updated in relation to the DAC Register throughout the year.

16. UK exit from the EU

The Northern Ireland Protocol has been in place and operational since 1 January 2021. The UK Government unilaterally extended a number of key periods of grace regarding supply chain pending re-negotiation of the Protocol with the European Union. Matters of concern relating to the supply of medicines have been partially addressed by a specific EU proposal on this matter however some matters remain of concern for example medical devices. BSO PaLS continue to work with Department of Health and HSC colleagues to seek to minimise or mitigate and supply issues which might arise in order to prevent disruption to services because of a supply chain breakdown.

17. HRPTS Servers

A managed service is provided for the HR, Payroll, Travel and Subsistence System (HRPTS) for Health and Social Care NI. This service is provided from servers hosted at data centres owned by a sub-contractor of the managed service supplier. This sub-contractor went into administration on 25 March 2022. By email on 1 April 2022, the supplier providing the managed service informed BSO of the administration. The supplier

informed BSO that the sub-contractor would continue to trade as normal while the Administrators explored options for the company's future, including re-negotiating contractual terms with its existing customers regarding power costs associated with increasing global supply issues. The Administrators confirmed by letter on 7 July 2022, that effective 7 July 2022, the sale of three data centres and all associated services delivered from these locations, completed successfully to a new sub-contractor. BSO Services were not impacted. The contractual terms between the supplier and their sub-contractor were re-negotiated. BSO will continue to maintain a functioning disaster recovery site for HRPTS within the HSC Data Centre.

18. Data Breaches

BSO's Data Protection Officer (DPO) assesses all breaches of personal data that are reported to them, and provides recommendations as appropriate. No data breaches, reported to the DPO, were deemed to meet the threshold to report to the Information Commissioner's Office (ICO) in the current year.

19. 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 BSO 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 2022/23.

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. It should be noted that the Remuneration and Terms of Service Committee services the needs of Business Services Organisation (BSO) and does not incorporate the governance accountabilities for Strategic Planning and Performance Group (SPPG) staff or remuneration decisions; these fall within the remit of DoH directly, in line with the Memorandum of Understanding for the BSO hosting SPPG staff arrangement. The following circulars have been received:

HSC (SE) 1/2021 – Senior Executive Pay Award 2016/2017

HSC (SE) 2/2021 – Senior Executive Pay Award 2017/2018

HSC (SE) 1/2022 – Senior Executive Pay Award 2018/2019

HSC (SE) 2/2022 – Senior Executive Pay Award 2019/2020

HSC (SE) 1/2023 – Senior Executive Pay Award 2020/2021

HSC (SE) 2/2023 – Senior Executive Pay Award 2021/2022

The 2016-17 and 2017-18 Senior Executive's pay awards were paid in the 2021-22 financial year 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 2018/19 and 2019/20 Senior Executive pay awards were similarly processed in 2022-23. The most recent Senior Executive Pay Award circulars were received from the DoH on 4 April 2023; to be paid in 2023-24.

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 bonuses or performance-related pay in 2022-23. It should be noted that Non-Executive Directors do not receive pensionable remuneration and therefore there will be no entries in

Remuneration Report

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. 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 2022-23.

Membership of the Remuneration and Terms of Service Committee:

Ms Julie Erskine – Chair

Mr. Robert Bannon

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	2022-23					2021-22				
	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind ^{Note 2} (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
Executive Members										
Karen Bailey ^{Note 1} <i>Chief Executive</i>	120-125	-	-	77,000	200-205	80-85	-	-	33,000	115-120
Karen Bryson <i>Director of Finance</i>	80-85	-	-	15,000	95-100	75-80	-	-	23,000	100-105
Paula Smyth <i>Director of Human Resources</i>	65-70	-	11,600	10,000	85-90	60-65	-	11,600	22,000	90-95
Mark Bradley <i>Interim Director of Customer Care and Performance</i> (Resigned 31 March 2023)	80-85	-	-	13,000	90-95	80-85	-	-	45,000	125-130
Karen Hunter <i>Director of Strategic Performance and Customer Engagement</i> (Appointed 1 February 2023)	10-15 (Full Year 70-75)	-	-	13,000	20-25	-	-	-	-	-

Name	2022-23					2021-22				
	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind ^{Note 2} (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
Martin Bradley <i>Interim Director of Operations</i> (Appointed 1 March 2022, Resigned 31 March 2023)	80-85	-	-	59,000	140-145	5-10 (Full Year 80-85)	-	-	75,000	150-155
Peter Wilson <i>Interim Director of Operations</i> (Resigned 28 February 2022)	-	-	-	-	-	70-75 (Full Year 85-90)	-	-	(11,000)	60-65
June Turkington <i>Interim Chief Legal Advisor</i> (Appointed 1 April 2022)	80-85	-	-	37,000	120-125	-	-	-	-	-
Alphy Maginness ^{Note 3} <i>Chief Legal Advisor</i> (Resigned 31 March 2022)	15-20	-	-	-	15-20	80-85	-	-	-	80-85
Non-Executive Members										
Julie Erskine	25-30	-	-	-	25-30	20-25	-	-	-	20-25
Dorothy Whittington	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

Note 1 Figure takes account of job re-evaluation pay arrears, also reflected within the opening CETV Pension disclosure. K Bailey's revised annual salary excluding re-evaluation arrears is in the £100-105k range.

Note 2 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.

Note 3 This 2022-23 in-year payment to a past director relates to pay arrears and must be disclosed in line with 2022-23 Government Financial Reporting Manual 6.5.17.

Note 4 The 2022-23 figures include 2019-20 and 2020-21 Senior Executive Pay Awards paid in-year but exclude 2020-21 and 2021-22 Senior Executive Pay Awards to be paid in 2023-24.

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 31/03/22* £000s	CETV at 31/03/23 £000s	Real increase in CETV £000s
Karen Bailey	2.5-5 plus lump sum of 5-7.5	40-45 plus lump sum of 105-110	839	970	58
Karen Bryson	0-2.5 plus lump sum of nil	30-35 plus lump sum of 80-85	721	760	9
Paula Smyth	0-2.5 plus lump sum of nil	15-20 plus lump sum of 25-30	292	314	4
Mark Bradley	0-2.5 plus lump sum of nil	25-30 plus lump sum of 50-55	547	573	6
Karen Hunter	0-2.5 plus lump sum of nil	5-10 plus lump sum of 0-5	84	97	13
Martin Bradley	2.5-5 plus lump sum of 5-7.5	35-40 plus lump sum of 85-90	726	832	43
June Turkington	0-2.5 plus lump sum of 2.5-5	25-30 plus lump sum of 40-45	384	442	15

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

*In line with FD (DoF) 04/23 Remuneration Report guidance, if a senior executive was not in post for the full reporting period, the CETV on appointment is disclosed.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

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.

Remuneration Report

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 HSC 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. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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 BSO is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Agency staff are included within the figures below. There are two separate sections for fair pay disclosures – one for BSO core staff and the other for SPPG under the BSO hosting arrangement.

BSO

The banded remuneration of the highest paid director within BSO in the financial year 2022-23 was £120k – 125k (2021-22: £80k-85k). As this figure is enhanced due to pay arrears in respect of backpay, the substantive pay figure of £100k – 105k has been used for the fair pay calculations in order ensure that information is not skewed but meaningful and comparable. The percentage change in the highest paid

Remuneration Report

director salary for 2022-23 is 20.5% (2021-22: -3.4%). This increase has arisen following an evaluation and regrading of the Chief Executive position reflected within the substantive pay figure. The relationship between the mid-point of this band and the remuneration of the BSO workforce is disclosed within the table below.

2022-23	Mean	25 th percentile	Median	75 th percentile
Total remuneration (£)	31,845	23,177	27,055	40,588
Pay ratio		4.4:1	3.8:1	2.5:1

2021-22	Mean	25 th percentile	Median	75 th percentile
Total remuneration (£)	30,653	21,777	27,780	40,057
Pay ratio		4.2:1	3.3:1	2.3:1

In 2022-23 remuneration ranged from £5,922 to £122,500 (2021-22: £5,805 to £90,387). In 2022-23, no employees (2021-22: 3) received remuneration in excess of the highest paid BSO director.

SPPG

The banded remuneration of the highest paid director within SPPG in the financial year 2022-23 was £115k – 120k under the BSO hosting arrangement. As this is the first year of the SPPG and the BSO hosting, there are no prior year comparatives included. The relationship between the mid-point of the highest paid director band and the remuneration of the SPPG workforce under the BSO hosting is disclosed within the table below.

2022-23	Mean salary	25 th percentile	Median	75 th percentile
Total remuneration (£)	46,689	27,055	43,806	56,164
Pay ratio		4.3:1	2.7:1	2.1:1

STAFF REPORT

Staff Report

Following the commencement of the BSO hosting arrangement on behalf of the SPPG from 1 April 2022, the former HSCB staff are BSO staff from the date of commencement of the SPPG hosting and therefore included within the tables and narrative below.

Staff Profile and Composition

The following table shows staff composition as at 31 March 2023:

Staff Gender Breakdown	Male	Female	Total
Non-Executive Directors	3	3	6
Directors¹	4	8	12
Senior Management²	48	65	113
All other BSO staff	937	1,364	2,301
Total	992 (41%)	1,440 (59%)	2,432

¹Includes SPPG Directors who are not BSO Board members therefore not disclosable within the Remuneration Report. ²Senior management is defined as Band 8c and above.

Staff Numbers and Related Costs (Audited)

Staff Costs

	2022-23*			2021-22
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	80,516	15,987	96,503	62,267
Social security costs	8,957	-	8,957	5,369
Other pension costs	18,281	-	18,281	11,251
Sub-Total	107,754	15,987	123,741	78,887
Capitalised staff costs	(10,829)	(1,492)	(12,321)	(7,509)
Total staff costs reported in SoCNE	96,925	14,495	111,420	71,378
Less recoveries in respect of outward secondments			(394)	(914)
Total net costs			111,026	70,464
of which BSO Core			77,603	70,464
of which SPPG			33,423	-

*2022-23 is the first year of inclusion of SPPG under the BSO hosting arrangement in place from 1 April 2022.

Staff Report

HSC Pension Arrangements

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.

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 was updated to reflect current financial conditions (and a change in financial assumption methodology) has been used since 2017-18.

Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are two sections to the HSC Pension Scheme (1995 and 2008) which was closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension Scheme was introduced. This new scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015. The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoH. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the different HSC Pension Schemes and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the HSC Pension Schemes including the scheme valuation outcomes. Further information on this will be included in the HSC Pension Scheme accounts.

Following a public consultation, the DoH introduced changes to the amount members pay towards their HSC pension. The changes include the pensionable pay ranges used to decide how much members contribute to their pension and the percentage of members' pay to be a member of the scheme. The latter change means the amount payable will be based on a member's actual annual rate of pay, rather than their whole-time equivalent. For part-time staff, their contribution rate will now be based on how they are paid, instead of how much they would earn if they worked full-time. The changes are being implemented in two stages; stage 1 started on 1 November 2022 with further changes planned in 2023.

The table below sets out the member contribution rates that apply in both the HSC Pension Scheme and the HSC Pension Scheme 2015 from 1 April 2022 – 31 October 2022.

Tier	Full-Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief)
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

The following table sets out member contribution rates that apply to both HSC Pension Schemes from 1 November 2022.

Pensionable salary range	Contribution rates (before tax relief & based on actual annual pensionable pay)
Up to £13,246	5.1%
£13,247 to £16,831	5.7%
£16,832 to £22,878	6.1%
£22,879 to £23,948	6.8%
£23,949 to £28,223	7.7%
£28,224 to £29,179	8.8%
£29,180 to £43,805	9.8%
£43,806 to £49,245	10%
£49,246 to £56,163	11.6%
£56,164 to £72,030	12.5%
£72,031 and above	13.5%

Average number of persons employed (Audited)

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

	2022-23		2021-22	
	Permanently employed staff	Others	Total	Restated Total
	No.	No.	No.	No.
Administrative and clerical	1,781	199	1,980	1,833
Commissioning of Health and Social Care	491	33	524	-
Total average number of persons employed	2,272	232	2,504	1,833
Less average staff number relating to capitalised staff costs	186	39	225	161
Less average staff number in respect of outward secondments	6	7	13	21
Total net average number of persons employed	2,080	186	2,266	1,651

The staff numbers disclosed as 'Others' relate to temporary members of staff. 2022-23 figures include SPPG staff who are employees of BSO under the hosting arrangement in place from 1 April 2022.

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

There were no early retirement, compensation or other exit packages incurred by BSO in either the 2022-23 or 2021-22 financial year. Redundancy and other departure costs, where applicable, are 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 within BSO costs.

Staff report

Retirements due to ill-health

During 2022-23 there was one early retirement from BSO agreed on the ground of ill-health. (2021-22: 1). The estimated additional pension liabilities of this ill-health retirement will be £12k (2021-22: £19k). These costs are borne by the HSC Pension Scheme.

Staff Absence

The cumulative sickness and absenteeism rate for the BSO, excluding SPPG, as at the end of March 2023 was 4.09% (2021-22: 3.47%) which was above the Departmental target of 3.77%. For SPPG under the BSO hosting arrangement, the cumulative sickness and absenteeism rate as at the end of March was 3.53% which was below the Departmental target of 4.06%.

Staff Turnover

The staff turnover for the year ended 31 March 2023 was 9.76% (2021-22: 7.58%).

Staff Engagement

BSO Conducted several surveys in 2022-23. Acknowledging that the organisation holds a lot of data from staff on what it is like to work for BSO, a different approach to our engagement survey was tested in November 2022. This survey sought thoughts and ideas from staff on what it would be like to work in BSO in an ideal future. Findings and suggestions gathered from staff informed the development of BSO People Strategy which will be launched later in 2023.

In 2022-23, the organisation implemented a new pilot Hybrid Working Scheme. In order to evaluate this scheme, the organisation sent a survey to staff in January 2023. This evaluation of the pilot Hybrid Working Scheme will be on-going throughout 2023. In 2022-23 there was no Regional HSC Staff Survey conducted. A number of general engagement questions were included in the Hybrid Working Scheme evaluation survey to provide the organisation with an idea of staff engagement in relation to Hybrid Working. It is hoped this section of the survey is used at regular intervals throughout the year to inform the future working practices of the BSO.

Staff report

Finally, in March 2023 the organisation launched a new approach to “Exit Surveys”. We have committed to engaging with those staff that chose to leave BSO to gain a better understanding of some of the reasons staff move on. This will give the organisation valuable information to make improvements where necessary or to continue with good practice. This will be an on-going survey sent to leavers.

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. Additionally, staff surveys are another important means of obtaining feedback from all staff. 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.

Staff report

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.

Expenditure on Consultancy

The BSO incurred spend of £142k on external consultancy during the 2022-23 financial year (2021-22: nil).

Off Payroll Engagements

BSO is required to disclose whether there were any staff or public sector appointees contracted through employment agencies or self-employed which cost more than £245 per day and lasted longer than six months during the financial year which were not paid through the BSO Payroll. There were two such 'off-payroll' staff resource engagements as at 31 March 2023.

The following tables provide further analysis.

Table 1: Temporary off –payroll worker engagements as at 31 March 2023

	2023
Number of off-payroll workers engaged during the year ended 31 March	2
of which:	
Number determined as out-of-scope of IR35	0
Number determined as in-scope of IR35	2
Number of engagements reassessed for compliance or assurance purposes during the year	0

Staff report

Table 2: All temporary off-payroll workers engaged at any point during the year ended 31 March 2023

	2023
Number of off-payroll engagements at 31 March	2
of which:	
Existed for less than one year at time of reporting	2
Existed for between one and two years at time of reporting	0
Existed for between two and three years at time of reporting	0

The off-payroll engagements disclosed above have been brought into BSO reporting requirements through the SPPG hosting arrangement in place from 1 April 2022. The SPPG have engaged via a contracted Recruitment Agency and comply with IR35 requirements. No penalty was imposed by HMRC resulting from non-compliance with off-payroll worker legislation.

ACCOUNTABILITY AND AUDIT REPORT

ACCOUNTABILITY REPORT (Audited)

Assembly Accountability Disclosure Notes

i Losses and Special Payments (Audited)

Losses statement	2022-23	2021-22
Total number of losses	4,394	8,327
Total value of losses (£000)	2,542	5,175

Individual losses over £250,000	2022-23 £000	2021-22 £000
Cash losses		
- Hand sanitiser	-	1,689
Administrative write-offs		
- Obsolete stock donation	-	3,426
Constructive losses		
- PPE face masks	2,195	-

Special Payments

Special payments	2022-23	2021-22
Total number of special payments	4	-
Total value of special payments (£000)	11	-

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 2023, 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 (Audited)

The BSO had one loss greater than £250,000 which related to a constructive loss in respect of Personal Protective Equipment stockpiled goods obsolescence which were purchased in previous years to ensure patient and staff safety in response to the pandemic and consequently were not required by BSO customers. The loss has been treated in line with Managing Public Money Northern Ireland and delegated authorities. There were no special payments greater than £250,000.

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



Date 26 June 2023

BUSINESS SERVICES ORGANISATION

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

Qualified Opinion on financial statements

I certify that I have audited the financial statements of the Business Services Organisation for the year ended 31 March 2023 under the Health and Social Care (Reform) Act (Northern Ireland) 2009. The financial statements comprise: the Statement of Comprehensive Net Expenditure, Financial Position, Changes in Taxpayers' Equity, Cash Flows; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted 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, except for the possible effects of the matter described in the Basis for opinions section of our report, the financial statements:

- give a true and fair view of the state of Business Services Organisation's affairs as at 31 March 2023 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.

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 for opinions

Included within year end inventories are two Personal Protective Equipment (PPE) products, with a value of £86m, which based on average weekly run rates from the last year are at risk of not all being used before their expiry dates. Inventory must be valued at the lower of cost and net realisable value. Before mitigations, the current worst-case scenario is that approximately £43m of this inventory is at risk of having to be valued at a net realisable value of nil. While BSO has commenced the mitigation process to try to address these inventory issues, including seeking to re-life this inventory and looking at options to supply to other markets, it is not possible, at this time, to assess how successful these mitigations may be. As a result, I am unable to obtain sufficient and appropriate audit evidence about the valuation of approximately £43m of the closing inventory balance of £163m within the Business Service Organisation's

22-23 financial statements. I was also not able to satisfy myself regarding the valuation of these inventories by alternative means. Due to this, I was unable to determine whether any adjustments to inventories were necessary.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 the Business Services Organisation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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.

My responsibilities and the responsibilities of the Board 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 Board 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.

As described in the basis for opinions section of our report, I was unable to satisfy myself concerning approximately £43m of stock held at 31 March 2023. I have concluded that where the other information refers to the stock balance or related balances, it may be materially misstated for the same reason.

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
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Except for the lack of sufficient appropriate audit evidence, which has led to the limitation on the scope of my work relating to inventories in which I qualified my opinion, I have nothing to report in respect of the following matter which I report to you if, in my opinion:

- I have not obtained all the information and explanations that I require for my audit.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible 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;

- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- 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 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 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 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, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;

- 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.

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.

My detailed observations are included in my report attached to the financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
3 July 2023

Section C

ANNUAL ACCOUNTS FOR THE YEAR ENDED

31 MARCH 2023

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

FOREWORD

The accounts for the year ended 31 March 2023 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.

BSO hosting of Strategic Planning and Performance Group (SPPG)

From the 1 April 2022, under the terms of the Memorandum of Understanding with the Department of Health (DoH), BSO have undertaken a hosting arrangement of the SPPG (formerly HSCB) staff whereby via a transfer arrangement all staff-related pay and non-pay costs relating to the management and administration of SPPG staff, being staff-related assets and liabilities, are reported within BSO's financial statements. This has the following effect on the 2022-23 financial statements as reported within the subsequent pages:

SoCNE Income £596k (Note 4), Expenditure £32,498k (Note 3) resulting in a net expenditure position of £31,902k; this includes non-cash costs for depreciation, amortisation and movement in provisions which create a net credit of £3,990k. Thus, leading to RRL from DoH for the hosting arrangement of £35,892k as set out in Note 22 and a non-cash budget control limit of £3,990k.

SoFP non-current assets of £12,635k (Notes 5 and 6), current assets of £171k (Note 12) totalling assets of £12,806k including land, buildings and IT equipment alongside staff and associated liabilities relating to staff-related pay and non-pay costs totalling £11,351k (within Notes 13 and 14). The overall resultant impact on BSO's Statement of Financial Position and corresponding Statement of Taxpayer's Equity is £1,455k. In line with FReM the transfer was by absorption with the opening carrying value of the assets and liabilities being that at the date of transfer.

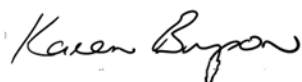
BSO received an appropriate level of funding from DoH, being RRL as detailed above together with £434k of CRL in respect of in-year additions, to correspond to the inclusion of SPPG hosting within these financial statements thus ensuring it is cost neutral for BSO. In line with the MoU, the governance, accountability and budgetary management responsibilities for SPPG continue to lie with the DoH and the budget transfer was made for accounts purposes only.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 220 - 265) 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

26 June 2023

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 220 - 265) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chair

26 June 2023



Chief Executive

26 June 2023

BUSINESS SERVICES ORGANISATION

STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2023

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)	2022-23 £000s	2021-22 £000s
Income			
Revenue from contracts with customers	4.1	189,663	230,641
Other operating income	4.2	26,088	23,385
Total operating income		215,751	254,026
Expenditure			
Staff costs	3	(111,420)	(71,378)
Purchase of goods and services	3	(110,061)	(159,594)
Depreciation, amortisation and impairment charges	3	(27,843)	(23,162)
Provision expense	3	3,661	231
Other expenditure	3	(90,590)	(71,113)
Total operating expenditure		(336,253)	(325,016)
Net Expenditure		(120,502)	(70,990)
Finance income		-	-
Finance expense		(34)	-
Net expenditure for the year		(120,536)	(70,990)
Adjustment to net expenditure for non-cash items		23,690	22,504
Net expenditure funded from Revenue Resource Limit (RRL)		(96,846)	(48,486)
Revenue Resource Limit (RRL) received from DoH	22.1	96,891	48,512
Surplus against RRL		45	26
OTHER COMPREHENSIVE INCOME/(EXPENDITURE)			
	Note(s)	2022-23 £000s	2021-22 £000s
Items that will not be classified to net operating costs:			
Net gain on revaluation of property, plant & equipment	5.1/5.2/8	500	145
Net gain/(loss) on revaluation of intangibles	6.1/6.2/8	1,872	(934)
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 Net Expenditure for the year ended 31 March		(118,164)	(71,779)

The notes on pages 224 - 265 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT of FINANCIAL POSITION as at 31 March 2023

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)	2022-23		2021-22	
		£000s	£000s	£000s	£000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	63,397		46,761	
Intangible assets	6.1/6.2	176,118		121,154	
Financial assets	7	-		-	
Trade and other receivables	12	-		-	
Other current assets	12	-		-	
Total Non Current Assets			239,515		167,915
Current Assets					
Assets classified as held for sale	9	-		-	
Inventories	10	163,015		161,404	
Trade and other receivables	12	37,143		32,528	
Other current assets	12	4,441		1,651	
Intangible current assets	12	-		-	
Financial assets	7	-		-	
Cash and cash equivalents	11	8,028		9,635	
Total Current Assets			212,627		205,218
Total Assets			452,142		373,133
Current Liabilities					
Trade and other payables	13	(230,285)		(226,904)	
Other liabilities	13	(1,570)		-	
Intangible current liabilities	13	-		-	
Financial liabilities	7	-		-	
Provisions	14	(1,152)		(29)	
Total Current Liabilities			(233,007)		(226,933)
Total assets less current liabilities			219,135		146,200
Non-Current Liabilities					
Provisions	14	(8,583)		-	
Other payables > 1 year	13	(35,735)		(37,508)	
Financial liabilities	7	-		-	
Total Non-Current Liabilities			(44,318)		(37,508)
Total assets less total liabilities			174,817		108,692
Taxpayers' Equity and other reserves					
Revaluation reserve			29,235		15,155
SoCNE Reserve			145,582		93,537
Total equity			174,817		108,692

The financial statements on pages 220 - 264 were approved by the Board on and were signed on its behalf by:

Signed



(Chair)

Date 26 June 2023

Signed



(Chief Executive)

Date 26 June 2023

The notes on pages 224 - 265 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2023

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)	2022-23 £000s	2021-22 £000s
Cash flows from operating activities			
Net operating expenditure		(120,536)	(70,990)
Adjustments for non-cash transactions		23,690	23,093
(Increase)/decrease in trade and other receivables		(7,287)	6,529
<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		(118)	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to leases		-	-
(Increase)/decrease in inventories		(1,611)	9,051
Increase/(decrease) in trade payables		3,186	(20,070)
<i>Less movements in payables relating to items not passing through the SoCNE</i>			
Movements in payables relating to the purchase of property, plant & equipment		1,753	5,131
Movements in payables relating to the purchase of intangibles		1,320	(469)
Movements in payables relating to leases		(5,261)	-
Movements in payables relating to grants		639	-
Use of provisions	14	(521)	(274)
Net cash inflow/(outflow) from operating activities		(104,746)	(47,999)
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(11,303)	(14,592)
Purchase of intangible assets	6	(74,288)	(28,152)
Proceeds of disposal of property, plant & equipment		22	4
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
Net cash outflow from investing activities		(85,569)	(42,740)
Cash flows from financing activities			
Grant in aid		185,218	93,273
Capital element of payments – leases and on balance sheet (SoFP) PFI and other service concession arrangements		3,490	-
Net financing		188,708	93,273
Net increase/(decrease) in cash & cash equivalents in the period		(1,607)	2,532
Cash & cash equivalents at the beginning of the period	11	9,635	7,101
Cash & cash equivalents at the end of the period	11	8,028	9,635

The notes on pages 224 - 265 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2023

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). 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 2021		71,092	16,129	87,221
Changes in taxpayers' equity 2021-22				
Grant from DoH		93,273	-	93,273
Other reserves movements including transfers		-	-	-
Comprehensive expenditure for the year		(70,990)	(789)	(71,779)
Transfer of asset ownership		-	(185)	(185)
Non-cash charges – auditors' remuneration	3	162	-	162
Non-cash charges – notional costs	3	-	-	-
Balance at 31 March 2022		93,537	15,155	108,692
Changes in taxpayers' equity 2022-23				
Opening balance - Transfer of SPPG function		(15,744)	11,707	(4,037)
Grant from DoH		150,762	-	150,762
Grant from DoH – SPPG hosting		34,455	-	34,455
Other reserves movements including transfers		2,939	-	2,939
Comprehensive expenditure for the year		(120,536)	2,373	(118,163)
Non-cash charges – auditors' remuneration	3	169	-	169
Non-cash charges – notional costs	3	-	-	-
Balance at 31 March 2023		145,582	29,235	174,817

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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, inventories and certain financial assets and liabilities.

1.2 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. This includes donated assets.

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

All Property, Plant and Equipment are carried at fair value.

Fair value of Property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant and Equipment is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss.

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five-year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last asset revaluation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; and
- 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.

Since the last revaluation exercise was undertaken, the risks to the BSO's land and building portfolio as a result of ongoing impact of the COVID-19 pandemic have lessened considerably. However, new global fiscal, economic and political factors have come to the fore, including persistently high inflation, rising interest rates, the cost of living and energy cost crises, increasing material costs, the fallout from the mini budget under Liz Truss and the ongoing Russia-Ukraine conflict. All have the potential to negatively impact on the local property market. However, at the present time, most sectors across the Northern Ireland property market are experiencing sufficient levels of transactional activity on which to base opinion, and this is reflected in the latest indexation figures provided for the period 2022-23. For the time being, the levels of subjectivity required to assess value have reduced and the requirement to declare material uncertainty within any of the BSO asset classifications has abated. Whilst the need for an asset revaluation prior to the next scheduled date in January 2025 cannot be ruled out, under current market conditions, it is not currently required.

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)

Assets 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. They are carried at cost, less any impairment loss. Assets under construction 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 the estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amounts.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an 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.

1.3 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 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

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.

1.4 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.

1.5 Intangible assets

Intangible assets include 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 non-current asset. 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.

1.6 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 through appropriate marketing at a reasonable price 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.

1.7 Inventories

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

1.8 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 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 five 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 on an accruals basis 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.

Income is stated net of VAT.

1.9 Grant in aid

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

1.10 Investments

The BSO does not have any investments.

1.11 Research and Development expenditure

Research and Development (R&D) expenditure is expensed in the year it is incurred in accordance with IAS 38. Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

1.12 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.

1.13 Leases

Under IFRS 16 Leased Assets which the BSO has use/control over and which it does not necessarily legally own are to be recognised as a 'Right-Of-Use' (ROU) asset. There are only two exceptions:

- short term assets – with a life of up to one year; and
- low value assets – with a value equal to or below the BSO's threshold limit which is currently £5,000.

Short term leases

Short term leases are defined as having a lease term of 12 months or less. Any lease with a purchase option cannot qualify as a short term lease. The lessee must not exercise an option to extend the lease beyond 12 months. No liability should be recognised in respect of short-term leases, and neither should the underlying asset be capitalised. Examples of short term leases are software leases, specialised equipment, hire cars and some property leases.

Low value assets

An asset is considered "low value" if its value, when new, is less than the capitalisation threshold. The application of the exemption is independent of considerations of materiality. The low value assessment is performed on the underlying asset, which is the value of that underlying asset when new.

Examples of low value assets are tablet and personal computers, small items of office furniture and telephones.

Separating lease and service components

Some contracts may contain both a lease element and a service element. The BSO can, at its own discretion, choose to combine lease and non-lease components of contracts, and account for the entire contract as a lease. If a contract contains both lease and service components IFRS 16 provides guidance on how to separate those components. If a lessee separates lease and service components, it should capitalise amounts related to the lease components and expense elements relating to the service elements. However, IFRS 16 also provides an option for lessees to combine lease and service components and account for them as a single lease. This option assists the BSO where it is time consuming or difficult to separate these components.

The BSO as lessee

The ROU asset lease liability will initially be measured at the present value of the unavoidable future lease payments. The future lease payments should include any amounts for:

- Indexation;
- amounts payable for residual value;
- purchase price options;
- payment of penalties for terminating the lease;
- any initial direct costs; and
- costs relating to restoration of the asset at the end of the lease.

The lease liability is discounted using the rate implicit in the lease.

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 ALB's surplus/deficit.

The difference between the carrying amount and the lease liability on transition is recognised as an adjustment to taxpayers' equity. After transition the difference is recognised as income in accordance with IAS 20.

Subsequent measurement

After the commencement date (the date that the lessor makes the underlying asset available for use by the lessee) a lessee shall measure the liability by;

- Increasing the carrying amount to reflect interest;
- Reducing the carrying amount to reflect lease payments made; and
- Re-measuring the carrying amount to reflect any reassessments or lease modifications, or to reflect revised in substance fixed lease payments.

There is a need to reassess the lease liability in the future if there is:

- A change in lease term;
- change in assessment of purchase option;
- change in amounts expected to be payable under a residual value guarantee; or
- change in future payments resulting from change in index or rate.

Subsequent measurement of the ROU asset is measured in same way as other property, plant and equipment. Asset valuations should be measured at either 'fair value' or 'current value in existing use'.

Depreciation

Assets under a finance lease or ROU lease are depreciated over the shorter of the lease term and its useful life, unless there is a reasonable certainty the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over its useful life.

The depreciation policy is that for other depreciable assets that are owned by the entity.

Leased assets under construction must also be depreciated.

The BSO as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the DoH body'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 DoH body'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

The BSO will classify subleases as follows:

- If the head lease is short term (up to 1 year), the sublease is classified as an operating lease;
- otherwise, the sublease is classified with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset.

1.14 Private Finance Initiative (PFI) transactions

The BSO does not hold any PFI arrangements.

1.15 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The BSO has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

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 de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the BSO'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, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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 in creating risk than would apply to a non-public sector body of a similar size, therefore the BSO is not exposed to the degree of financial risk faced by business entities.

There are 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 its activities. Therefore, the BSO is exposed to limited 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. There is therefore low exposure to currency rate fluctuations.

Interest rate risk

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

Credit risk

As the majority of the BSO's income comes from contracts with other public sector bodies, there is 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, there is low exposure to significant liquidity risks.

1.16 Provisions

In accordance with IAS 37, provisions are recognised when there is 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 the relevant discount rates provided by HM Treasury.

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.

1.17 Contingent liabilities/assets

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.

1.18 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 from a HRPTS system report of untaken leave balances as at 31

March and application of actual salary costs to arrive at a closing balance as at year-end. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken 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.

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.

The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2022-23 accounts. Financial assumptions are updated to reflect recent financial conditions. Demographic assumptions are updated to reflect an analysis of experience that is being carried out as part of the 2020 valuation. Whilst the 2016 valuation remains the most recently completed valuation, the 2020 valuation is sufficiently progressed to use for setting the demographics assumptions.

1.19 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.

1.20 Third party assets

Assets belonging to third parties 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.

1.21 Government Grants

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

1.22 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 DoH 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.

1.23 Accounting standards that have been issued but have not yet been adopted

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.

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 2025. Management currently assess that there will be minimal impact on application to the BSO's financial statements.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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.

Additionally, from 1 April 2022, BSO provide staff hosting services to the Strategic Planning and Performance Group which constitutes a separate operating segment as follows:

- Strategic Planning and Performance Group (SPPG) – this segment incorporates all staffing and associated staff costs to include any revenue costs of SPPG staff-specific assets and liabilities, in line with the hosting agreement.

The analysis by segment for 2022-23 is provided in the following table. Comparative figures are provided in a subsequent table, these comparatives have been restated to reflect the exclusion of non-cash expenditure for RRL purposes from 2022-23 as directed by the DoH.

BUSINESS SERVICES ORGANISATION

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

Statement of Operating Costs by Operating Segment for the Year Ended 31 March 2023

	Staff costs	Other expenditure	Total expenditure	Income	Net operating expenditure
	£000s	£000s	£000s	£000s	£000s
Operating segment					
Core	45,705	54,862	100,567	(50,092)	50,475
ITS	13,059	19,303	32,362	(31,407)	955
PaLS	15,730	112,549	128,279	(128,251)	28
Managed Services	3,366	39,215	42,581	(5,405)	37,176
SPPG	33,560	(1,062)	32,498	(596)	31,902
Total	111,420	224,867	336,287	(215,751)	120,536
Less non-cash expenditure per Note 22					<u>(23,690)</u>
Net expenditure funded from RRL					96,846
Revenue Resource Limit (RRL)					<u>96,891</u>
Surplus/(Deficit) against RRL					<u><u>45</u></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 2022 (Restated*)

	Staff costs	Other expenditure	Total expenditure	Income	Net operating expenditure
	£000s	£000s	£000s	£000s	£000s
Operating segment					
Core	42,254	42,428	84,682	(44,258)	40,424
ITS	12,466	15,196	27,662	(27,726)	(64)
PaLS	13,784	164,457	178,241	(177,015)	1,226
Managed Services	2,874	31,557	34,431	(5,027)	29,404
Total expenditure	<u>71,378</u>	<u>253,638</u>	<u>325,016</u>	<u>(254,026)</u>	<u>70,990</u>
Less non-cash expenditure per Note 22					(22,504)
Net expenditure funded from RRL					<u>48,486</u>
Revenue Resource Limit (RRL)					<u>48,512</u>
Surplus/(Deficit) against RRL					<u><u>26</u></u>

* The Department has introduced budget control limits for depreciation, impairments, and provisions, which cannot be exceeded from 2022-23 onwards thus RRL is calculated excluding non-cash. Prior year figures have been restated on the new basis for comparability.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 EXPENDITURE

	2022-23 £000s	2021-22 £000s
Operating Expenses		
Staff costs ¹ :		
Wages and salaries	84,182	54,758
Social security costs	8,957	5,369
Other pension costs	18,281	11,251
IT Programme	16,696	12,292
Supplement for Undergraduate Medical and Dental Education (SUMDE)	2,422	2,420
Bursaries	16,333	16,025
Infected Blood Payment Scheme	14,895	5,701
Healthy Start	781	3,109
Regional Interpreting Services	4,340	3,664
Cost of Sales	109,216	158,851
Supplies and services – general	845	743
Establishment	17,863	14,651
Transport	1,028	1,632
Premises	5,097	5,525
Interest charges under IFRS 16	34	-
Miscellaneous	11,627	5,932
Research & development expenditure	-	-
Non-cash items		
Depreciation	8,743	8,201
Amortisation	18,947	14,820
Impairments	153	141
Profit on disposal of property, plant and equipment (including land)	(22)	-
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)	(3,801)	(231)
Cost of borrowing provisions (unwinding of discount on provisions)	140	-
Auditors' remuneration	169	162
Release of government grant	(639)	-
Total	336,287	325,016

During the year the BSO purchased non-audit services to the value of £3.5k from their auditors in relation to the National Fraud Initiative (2021-22: £Nil). The auditors' remuneration reflects time incurred on the preparation of the Shared Services Report in addition to the audit of the financial statements.

¹ Further detailed analysis of staff costs is located within the Staff Report on page 199.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 4 INCOME

4.1 Revenue from contracts with customers

	2022-23	2021-22
	£000s	£000s
Management fees - HSC Trusts	79,564	71,780
Sale of goods	109,660	158,861
Accommodation	439	-
Total	189,663	230,641

4.2 Other Operating Income

	2022-23	2021-22
	£000s	£000s
Other income from non-patient services	25,694	22,471
Seconded staff	394	914
Donations / Government Grant / Funding for non-current assets	-	-
Total	26,088	23,385

TOTAL INCOME

215,751	254,026
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BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.1 Property, plant & equipment - year ended 31 March 2023

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2022	4,899	12,675	-	17,025	295	3,158	40,089	5,749	83,890
Opening balance adjustment – IFRS 16	-	1,771	-	-	-	-	-	-	1,771
Opening balance adjustment – SPPG transfer	3,800	9,506	-	-	7	-	1,174	-	14,487
Indexation	-	144	-	-	26	148	442	46	806
Additions	-	5,132	-	1,910	-	76	2,383	49	9,550
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(16,221)	-	-	16,998	-	777
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Disposals	-	(7)	-	-	-	(316)	(205)	(45)	(573)
At 31 March 2023	8,699	29,221	-	2,714	328	3,066	60,881	5,799	110,708

Accumulated Depreciation

At 1 April 2022	-	1,613	-	-	242	1,586	31,765	1,923	37,129
Opening bal adj – SPPG asset transfer	-	882	-	-	7	-	820	-	1,709
Indexation	-	72	-	-	20	78	114	21	305
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(2)	-	(2)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Disposals	-	(7)	-	-	-	(316)	(205)	(45)	(573)
Provided during the year	-	2,350	-	-	4	355	5,279	755	8,743
At 31 March 2023	-	4,910	-	-	273	1,703	37,771	2,654	47,311

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2023

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Carrying Amount									
At 31 March 2023	8,699	24,311	-	2,714	55	1,364	23,109	3,145	63,397
At 31 March 2022	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
Asset financing									
Owned	8,699	19,088	-	2,714	55	1,364	23,109	3,145	58,174
Leased	-	5,223	-	-	-	-	-	-	5,223
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2023	8,699	24,311	-	2,714	55	1,364	23,109	3,145	63,397

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 leases and hire purchase contracts is £1,553k (21-22: £Nil).

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

	2022-23 £000s	2021-22 £000s
Donations	-	-
Government Grant	-	2,864
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.2 Property, plant & equipment - year ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2021	4,899	12,591	-	7,503	283	2,530	65,671	5,622	99,099
Indexation	-	84	-	-	12	65	(49)	127	239
Additions	-	-	-	6,658	-	598	2,205	-	9,461
Donations / Government grant / Lottery Funding	-	-	-	2,864	-	-	-	-	2,864
Reclassifications	-	-	-	-	-	-	(24,679)	-	(24,679)
Transfers	-	-	-	-	-	-	(194)	-	(194)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	(2,393)	-	(2,393)
Disposals	-	-	-	-	-	(35)	(472)	-	(507)
At 31 March 2022	4,899	12,675	-	17,025	295	3,158	40,089	5,749	83,890
Accumulated Depreciation									
At 1 April 2021	-	1,205	-	-	229	1,270	47,330	1,344	51,378
Indexation	-	42	-	-	9	39	(35)	39	94
Reclassifications	-	-	-	-	-	-	(20,351)	-	(20,351)
Transfers	-	-	-	-	-	-	(115)	-	(115)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	(1,575)	-	(1,575)
Disposals	-	-	-	-	-	(35)	(468)	-	(503)
Provided during the year	-	366	-	-	4	312	6,979	540	8,201
At 31 March 2022	-	1,613	-	-	242	1,586	31,765	1,923	37,129

A review was performed on the classification of expenditure on the NIPACS Programme in 2021-22. This resulted in a reclassification from Information Technology to Software Licences.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Carrying Amount									
At 31 March 2022	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
At 31 March 2021	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721
Asset financing									
Owned	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
Leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
At 31 March 2022									

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.1 Intangible assets- year ended 31 March 2023

	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 2022	88,044	96,239	-	-	-	-	-	34,921	219,204
Opening balance adjustment – SPPG asset transfer	285	1,170	-	-	-	-	-	-	1,455
Indexation	1,790	2,474	-	-	-	-	-	-	4,264
Additions	7,242	1,630	-	-	-	-	-	64,096	72,968
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	1,314	2,159	-	-	-	-	-	(4,260)	(787)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2023	98,675	103,672	-	-	-	-	-	94,757	297,104

Accumulated Amortisation

At 1 April 2022	30,607	67,443	-	-	-	-	-	-	98,050
Opening balance adjustment – SPPG asset transfer	283	1,161	-	-	-	-	-	-	1,444
Indexation	541	1,851	-	-	-	-	-	-	2,392
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	153	-	-	-	-	-	-	153
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	12,112	6,835	-	-	-	-	-	-	18,947
At 31 March 2023	43,543	77,443	-	-	-	-	-	-	120,986

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.1 (continued) Intangible assets- year ended 31 March 2023

	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 2023	55,132	26,229	-	-	-	-	-	94,757	176,118
At 31 March 2022	57,437	28,796	-	-	-	-	-	34,921	121,154
Asset financing									
Owned	55,132	26,229	-	-	-	-	-	94,757	176,118
Leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2023	55,132	26,229	-	-	-	-	-	94,757	176,118

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

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

	2022-23 £000s	2021-22 £000s
Donations	-	-
Government Grant	-	-
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.2 Intangible assets - year ended 31 March 2022

	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 2021	75,265	94,046	-	-	-	-	-	11,683	180,994
Indexation	(771)	(1,056)	-	-	-	-	-	-	(1,827)
Additions	1,990	2,656	-	-	-	-	-	23,975	28,621
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	24,679	-	-	-	-	-	-	-	24,679
Transfers	38	593	-	-	-	-	-	(737)	(106)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(13,157)	-	-	-	-	-	-	-	(13,157)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2022	88,044	96,239	-	-	-	-	-	34,921	219,204
Accumulated Amortisation									
At 1 April 2021	15,780	61,826	-	-	-	-	-	-	77,606
Indexation	(160)	(733)	-	-	-	-	-	-	(893)
Reclassifications	20,351	-	-	-	-	-	-	-	20,351
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(13,834)	-	-	-	-	-	-	-	(13,834)
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	8,470	6,350	-	-	-	-	-	-	14,820
At 31 March 2022	30,607	67,443	-	-	-	-	-	-	98,050

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.2 (continued) Intangible assets- year ended 31 March 2022

	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 2022	57,437	28,796	-	-	-	-	-	34,921	121,154
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388
Asset financing									
Owned	57,437	28,796	-	-	-	-	-	34,921	121,154
Leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2022	57,437	28,796	-	-	-	-	-	34,921	121,154
Asset financing									
Owned	59,485	32,220	-	-	-	-	-	11,683	103,388
Leased	-	-	-	-	-	-	-	-	-
On SOFP PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

	2022-23			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	-	153	-	153
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	-	153	-	153

	2021-22			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	818	(677)	-	141
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	818	(677)	-	141

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

The BSO did not hold any assets classified as held for sale in 2022-23 or 2021-22.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 10 INVENTORIES

	2022-23 £000s	2021-22 £000s
Goods for resale	163,015	161,404
Total	163,015	161,404

The inventory figure disclosed as at 31 March is after accounting for a stock provision of £8.1m which is disclosed within miscellaneous expenditure in Note 3. This includes a provision for slow moving Personal Protective Equipment (PPE) inventory. As the impact of the pandemic and the need for PPE has reduced, naturally demand for PPE products have reduced. BSO continue to hold a significant volume of PPE stock, the majority of which are deemed to be low or no risk due to long shelf lives, no expiry dates and continuing to be part of day-to-day consumption.

There are a small number of low value products which continue to be held in large volumes and whilst the PPE products are still being issued to customers, the ability to utilise all stock holding within required timeframes presents a level of uncertainty. The current estimated value of those PPE products with the potential to be at risk are in the region of £43m. Several options for usage and thus mitigating risk of obsolescence are being explored and executed such as working with suppliers to re-life products, selling wider than HSC to external independent markets, repurposing alongside working closely with the DoH on solutions and a supporting business case should a future loss materialise. In order to maintain safety in the health environment there remains a need to hold a higher stockpile of PPE goods in the event of increased demand.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 11 CASH AND CASH EQUIVALENTS

	2022-23 £000s	2021-22 £000s
Balance at 1 April	9,635	7,101
Net change in cash and cash equivalents	(1,607)	2,534
Balance at 31 March	8,028	9,635

The following balances at 31 March were held at:

	2022-23 £000s	2021-22 £000s
Commercial banks and cash in hand	8,028	9,635
Balance at 31 March	8,028	9,635

NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2021-22 £000s	Restated Opening balance £000s	Cash Flows £000s	Non-Cash £000s	2022-23 £000s
Lease Liabilities	-	1,771	(1,584)	5,074	5,261
Total Liabilities from financing Activities	-	1,771	(1,584)	5,074	5,261

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2022-23 £000s	2021-22 £000s
Amounts falling due within one year		
Trade receivables	25,438	24,927
Deposits and advances	-	-
VAT receivable	11,416	7,597
Other receivables – not relating to fixed assets	171	-
Other receivables – relating to property, plant and equipment	118	-
Other receivables – relating to intangibles	-	-
Trade and other receivables	<u>37,143</u>	<u>32,528</u>
Prepayments	4,441	1,651
Accrued income	-	-
Current part of PFI and other service concession arrangements prepayment	-	-
Other current assets	<u>4,441</u>	<u>1,651</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>37,143</u>	<u>32,528</u>
TOTAL OTHER CURRENT ASSETS	<u>4,441</u>	<u>1,651</u>
TOTAL INTANGIBLE CURRENT ASSETS	-	-
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	<u>41,584</u>	<u>34,179</u>

The balances are net of a provision for bad debts of £832k (2021-22: £766k).

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 13 TRADE PAYABLES AND OTHER LIABILITIES

	2022-23 £000s	2021-22 £000s
Amounts falling due within one year		
Other taxation and social security	7,067	2,676
Bank overdraft	-	-
VAT payable	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	6,728	6,655
Trade revenue payables	180,687	172,978
Other payables	76	-
Accruals	35,088	39,532
Accruals - relating to property, plant and equipment	-	1,753
Accruals - relating to intangibles	-	1,393
Deferred income	639	1,917
Trade and other payables	<u>230,285</u>	<u>226,904</u>
Current part of lease liabilities	1,570	-
Current part of long-term loans	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Other current liabilities	<u>1,570</u>	<u>-</u>
Carbon reduction commitment	-	-
Intangible current liabilities	<u>-</u>	<u>-</u>
Total payables falling due within one year	231,855	226,904
Amounts falling due after more than one year		
Other payables, accruals and deferred income	8,307	7,668
Trade and other payables	23,737	29,840
Clinical negligence payables	-	-
Leases	3,691	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-
Long term loans	-	-
Total non-current other payables	<u>35,735</u>	<u>37,508</u>
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	<u><u>267,590</u></u>	<u><u>264,412</u></u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES 2022-23

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	Employer's Liability £000s	Other £000s	2022-23 £000s
Balance at 1 April 2022	-	-	-	29	-	29
Opening balance adjustment – SPPG hosting	-	-	-	834	13,054	13,888
Provided in year	-	-	-	103	969	1,072
(Provisions not required written back)	-	-	-	(262)	(4,611)	(4,873)
(Provisions utilised in the year)	-	-	-	(13)	(508)	(521)
Cost of borrowing (unwinding of discount)	-	-	-	(29)	169	140
At 31 March 2023	-	-	-	662	9,073	9,735

Comprehensive Net Expenditure Account Charges	2022-23 £000s	2021-22 £000s
Arising during the year	1,072	39
Reversed unused	(4,873)	(270)
Cost of borrowing (unwinding of discount)	140	-
Total charge within Operating costs	(3,661)	(231)

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES 2022-23

Analysis of expected timing of discounted flows as at 31 March 2023

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	Employer's Liability £000s	Other £000s	2022-23 £000s
Not later than one year	-	-	-	662	505	1,167
Later than one year and not later than five years	-	-	-	-	3,085	3,085
Later than five years	-	-	-	-	5,483	5,483
At 31 March 2023	-	-	-	662	9,073	9,735

There are four categories of provisions: early retirement for directors and other staff, outstanding legal cases and other, being injury benefit and a provision in respect of PSNI holiday pay. 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.

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. The PSNI appealed the CoA judgment to the Supreme Court and while the hearing concluded on 15 December 2022, the date has not yet been set for the hand down of the judgement. The HSC working group considering resolution of the liability has indicated that any solution will be more than 12 months away as it will require system change. In light of industrial action, there is also no indication of when Trade Unions discussions re settlement of the historic liability can be conducted and in the absence of a Minister, agreeing a settlement may also be delayed. As a result, the level of uncertainty around the timing of the liability has increased and whilst it was recorded as an accrual in the prior year, it has been treated as a provision at 31 March 2023. The best estimate of the value of the liability is based on the position in the NHS in England, Scotland and Wales.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES 2021-22

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2021-22 £000s
Balance at 1 April 2021	-	-	-	-	534	534
Provided in year	-	-	-	-	39	39
(Provisions not required written back)	-	-	-	-	(270)	(270)
(Provisions utilised in the year)	-	-	-	-	(274)	(274)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	29	29

Analysis of expected timing of discounted flows as at 31 March 2022

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2021-22 £000s
Not later than one year	-	-	-	-	29	29
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	29	29

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 2023

NOTE 15 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements	2022-23 £000s	2021-22 £000s
Property, plant and equipment	5,261	103
Intangible assets	5,924	509
	<u>11,185</u>	<u>612</u>

NOTE 16 COMMITMENTS UNDER LEASES

16.1 Quantitative disclosures around Right-Of-Use assets

	Buildings 2022-23 £000s	Total 2022-23 £000s
Right of Use assets		
At 1 April 2022	1,771	1,771
Additions	5,006	5,006
Depreciation expense	(1,553)	(1,553)
At 31 March 2023	<u>5,224</u>	<u>5,224</u>

16.2 Quantitative disclosures around lease liabilities

	2022-23 £000s
Buildings	
Not later than one year	1,659
Later than one year but not later than five years	3,690
Later than five years	-
Less interest element	(88)
Present value of obligations	<u>5,261</u>
Current portion	<u>1,617</u>
Non-current portion	<u>3,644</u>

16.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	2022-23 £000s
Other lease payments not included in lease liabilities	935
Sub-leasing income	(16)
Expense related to short-term leases	-
Expense related to low-value asset leases (excluding short-term leases)	-
	<u>919</u>

BUSINESS SERVICES ORGANISATION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

16.4 Quantitative disclosures around cash outflow for leases **2022-23**
£000s

Total cash outflow for leases	2,519
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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 2023 or 31 March 2022.

17.2 On balance sheet (SoFP) PFI Schemes

BSO had no commitments under PFI and other concession arrangement contracts at either 31 March 2023 or 31 March 2022.

NOTE 18 OTHER FINANCIAL COMMITMENTS

The BSO did not have any other financial commitments at either 31 March 2023 or 31 March 2022.

NOTE 19 CONTINGENT LIABILITIES

The BSO has the following quantifiable contingent liabilities:

	2022-23	2021-22
	£000s	£000s
Employers' liability	28	-
Amounts recoverable through non-cash RRL	(28)	-
	-	-

In addition, the following unquantifiable contingent liabilities exist:

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. The PSNI appealed the CoA judgment to the Supreme Court and while the hearing concluded on 15 December 2022, the date has not yet been set for the hand down of the judgement. A provision has been calculated by HSC management for the liability at 31 March 2023, based on the position in the NHS in England, Scotland and Wales, and is included in these accounts. However, the extent to which the liability may exceed this amount remains uncertain as the calculation will rely on the outstanding Supreme Court judgement and will have to be agreed with Trade Unions. The potential additional financial effect of this is unquantifiable at present.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023 or 31 March 2022.

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.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 CCGANI (formerly NIGALA)	This account is used for the transfer of funds on behalf of the Children’s Court Guardian Agency Northern Ireland (CCGANI), 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 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.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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. Following the implementation of Review of Financial Process, the format of Note 22.1 has changed as the Department has introduced budget control limits for depreciation, impairments, and provisions, which cannot be exceeded; BSO has remained within the budget control limit it was issued. From 2022-23 onwards, the materiality threshold limit excludes non-cash RRL. In line with DoH Manual of Accounts BSO includes income from activities within its materiality test.

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

	2022-23	2021-22
	£000s	Restated
		£000s
RRL allocated from:		
DoH (excludes non-cash) – BSO	60,999	48,512
DoH (excludes non-cash) – SPPG hosting	35,892	-
Total agreed RRL to be Accounted For	96,891	48,512
RRL expenditure:		
Net Expenditure per SoCNE	120,536	70,990
Adjustments:		
Depreciation/Amortisation	(27,690)	(23,021)
Impairments	(153)	(141)
Release of Government Grant	639	-
Notional charges	(169)	(162)
Profit/(loss) on disposal of fixed assets	22	-
Other – release of provisions	3,661	231
Other – IFRIC 12	-	589
Net expenditure funded from RRL	96,846	48,486
Surplus/(Deficit) against RRL	45	26
Break Even cumulative position (opening)	1,665	1,639
Break Even cumulative position (closing)	1,710	1,665

Materiality Test

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

	2022-23	2021-22
	%	%
Break Even in-year position as % of RRL and Income (Note 4.1)	0.02	0.01
Break Even cumulative position as % of RRL and Income (Note 4.1)	0.68	0.60

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22.2 Capital Resource Limit

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

	2022-23	2021-22
	Total	Total
	£000s	£000s
Gross Capital Expenditure	82,518	40,946
Less income received re Donations/ Government Grant / Funding for non-current assets	-	(2,864)
Less IFRIC 12 spend	-	(589)
(Receipts from sales of fixed assets)	-	(4)
Net capital expenditure	<u>82,518</u>	<u>37,489</u>
Capital Resource Limit	<u>82,520</u>	<u>37,840</u>
Overspend/(Underspend) against CRL	<u>(2)</u>	<u>(351)</u>

NOTE 23 EVENTS AFTER THE REPORTING PERIOD

There are no events that have taken place after the reporting period date affecting these accounts.

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 3 July 2023.

Report by the Comptroller and Auditor General to the Northern Ireland Assembly

Business Service Organisation 2022- 23

Introduction and Background

1. In 2020 arising from the Covid Pandemic, on behalf of the Department of Health the Business Services Organisation's Procurement and Logistics Service purchased Personal Protective Equipment (PPE) in significantly higher volumes than previously required in order to meet predicted demand. The Department of Health agreed a Supply Chain Strategy for PPE, which would create and protect a Just In Case (JIC) stockpile.
2. Inventory is valued at the lower of cost and net realisable value.
3. Despite prices of PPE gradually reducing, BSO could continue valuing its inventory at cost as this price was the same as net realisable value i.e. HSC bodies were charged cost price for their PPE.

Summary of findings

4. As the impact of the pandemic has receded, the demand for PPE products has reduced. While for most inventory items valuation at cost still applies, as HSC bodies pay this price, this is not true of inventories not forecast as being used within their limited life-spans. This is the case for two high volume PPE items with cumulative value of £86m. Based on average weekly run rates potentially £43m of this inventory is at risk of not being used before their current lifespans expire.
5. The current cost price for these PPE items is significantly lower now than the costs these two PPE items were procured at and valued in the accounts.
6. The overstocking issue for these two products is further exacerbated by BSO having in place contractual commitments to buy more of these products and the uncertainty around future PPE demand.
7. While BSO has started the mitigation process to try and resolve this obsolescence issue which includes working with suppliers to re-life products, selling wider than HSC to external independent markets, termination of contracts and seeking amendment to future contractual commitments, repurposing, and working closely with the DoH on solutions, I have not been able to establish whether these mitigations will be successful and potentially how much this would reduce the £43m value of inventories at risk.
8. As I have been unable to obtain evidence of the impact of any mitigations, I have not obtained all the information and explanations required regarding the valuation of this inventory.
9. Inventory is currently valued in the financial statements at £163m but I have not been able to obtain sufficient and appropriate audit evidence about the valuation of approximately £43m of the closing inventory balance. I was also not able to satisfy myself regarding the valuation of these inventories by alternative means. Due to this, I was unable to determine whether any adjustments to inventories were necessary.

BSO's response

10. Throughout the pandemic, BSO have fulfilled its responsibility in relation to procurement and supply of PPE on behalf of DoH in line with latest guidance and direction. Specialist

demand modellers were put in place by the DoH/ Public Health Agency (PHA) and BSO were instructed to procure accordingly. The context of many authorities not being able to secure appropriate PPE to protect lives of staff and patients was acute and BSO successfully secured the volumes of PPE mandated.

11. BSO recognise the gap between orders placed, initially through the demand modelling and subsequently procurement through the HSC Supply Chain Strategy, and current and forecast usage. This is further exacerbated by the recent PHA guidance on infection prevention and control measures for Covid-19 in health and care settings issued in March 2023 advising of wearing of masks in health and social care settings to be on a risk-assessed basis. BSO management is satisfied that it has acted based on health guidance and mandated instruction and the issue does not represent any mismanagement on the part of BSO.
12. BSO welcomes the easing of PPE usage guidelines recognising PPE was required for the health and safety of staff, patients and the wider public. Its reduction to be on a risk-assessed basis signifies a level of post-pandemic recovery. Notwithstanding the fact that there will be a future and continuing need for PPE in health care settings due to Covid-19 and for preventative measures for any potential future disease outbreaks; this will necessitate ongoing consideration of emergency planning and a level of stock holding to meet emergency requirements.
13. BSO will continue to work closely with the DoH and PHA in devising future PPE stock holding demands, including consideration of any ongoing four nations agreements. BSO have several current and planned mitigations to respond to the risk of stock obsolescence and will continue to closely monitor and report on this through established governance arrangements and take a strategic approach to reducing PPE stock holdings in line with anticipated future demand which presently remains uncertain.
14. BSO is committed to delivering value for money in the use of public funds and minimising any loss to the public purse through enacting all planned mitigations whilst ensuring continuing adequacy of supply to protect staff and patients against current and future healthcare risks.

Conclusion

15. I recognise that this situation has arisen in response to a public health crisis and resultant anticipated PPE demand. However, I am concerned as to the possible loss to the Health Service particularly at a time of serious financial pressures. I would urge BSO to urgently pursue the mitigations so as to minimise this loss.



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3 July 2023