

BSO BUSINESS PLAN 2016/17

Year Two of BSO Corporate Strategy 2015/18



Introduction to BSO Annual Business Plan 2016-17

Background

The Business Services Organisation (BSO) was established on 1 April 2009 to provide a wide range of business and specialist professional services to the wider HSC environment. Our mission is *“to deliver value for money and high quality business services to Health and Social Care, so contributing to the health and well-being of the people of Northern Ireland.”* The functions and duties of the BSO are set out in the Management Statement which is available on our website: www.hscbusiness.hscni.net. Our organisation is an integral part of the HSC. This requires us to be familiar with the priorities which relate directly to the health and well-being of the public and to understand our role in delivering these improvements. The BSO is conscious of the strategic context within which it operates and aims to support the over-arching Programme for Government and Public Health agendas. We aim to do this through a framework of good governance and which takes account of our social and environmental responsibilities. At the same time we are very aware of the particular challenges presented by the longer-term economic environment to our customers as well as ourselves.

Health and Social Care Reform and Transformation

Nations across the developed world are seeking to transform how they deliver health and social care services to fit a modern context. Populations are ageing, resources are constrained, technology is advancing and patient expectations continue to rise. It is the accumulation of these challenges that makes the current way in which health and social care is delivered unsustainable. These major challenges need to be addressed without delay to ensure that our health and social care systems remain sustainable and deliver the best care possible to the citizens of Northern Ireland now and for generations to come. In this context, reform of the health and social care system in Northern Ireland is a necessity. These themes are echoed in the key DHSSPS policy documents in Northern Ireland, *‘Transforming Your Care’ (December 2011)*; *‘Making Life Better, A whole system framework for Public Health 2013-23’*, *‘Quality 2020’, a ten year Strategy to improve quality in health and social care in Northern Ireland (2011)* and align with the recommendations in the Donaldson Report, *‘The Right Place – The Right Time’*, published by DHSSPS in January 2015.

During 2015-16, the Minister for Health, Social Services and Public Safety has set out his ambition for a world class Health and Social Care Service in Northern Ireland which puts the patient at the centre. BSO aims to be at the heart of HSC transformation by providing professional support and expertise in creating a system that improves outcomes for patients and can better serve the people of Northern Ireland who use it. At the time of writing, there are a number of factors which will be particularly pertinent to the BSO plans for the year ahead. These are described below.

a) *Programme for Government and Public Health Agenda*

The Northern Ireland Executive Programme for Government, Economic and Investment Strategy 2011-15 set out a commitment to creating the conditions for individuals, families and communities to take greater control over their lives and be enabled and supported to lead healthy lives. In turn, the Department of Health, Social Services and Public Safety (DHSSPS) outlined a vision of health and social care services so that they might better meet the needs of individuals. The model of person-centred care is articulated in three strategic documents: '*Transforming Your Care*' (2011), '*Quality 2020*' (2011) and the new strategic framework for public health, '*Making Life Better*' (2013 - 23). The way of working outlined in these three strategic documents will mean more emphasis is placed on preventing ill-health, as well as supporting people to make healthier choices and live independently for as long as possible.

It is anticipated at this stage that the new Programme for Government will be available as soon as possible after the NI Assembly Elections currently scheduled for May 2016 and will include a greater focus on outcomes achieved on a cross-departmental basis.

b) *Feasibility Studies on Expansion of Shared Services*

The DHSSPS Review of HSC Administration commenced on 8 January 2015. One of its key objectives was to explore the scope for expansion of Shared Services within BSO in order to improve efficiency and effectiveness.

On 8 and 22 April 2015 the Permanent Secretary of DHSSPS wrote to HSC Chief Executives on this issue. This correspondence asked BSO to undertake scoping studies for six functions which had been identified as having potential to be provided as a regional service.

These were as follows:

- Shared Data Centres and IT Support
- Regional Employment Bank including Nurse Bank and E Locums
- Learning and Development
- Provision of Business Intelligence
- Corporate Services to smaller HSC Arms-Length Bodies
- Accounting Services (which was not being taken forward at that stage).

BSO carried out a Scoping Study, in conjunction with HSC Organisations, for five of the six functions listed above, with Finance incorporated in the Corporate Services study. The Scoping Studies involved collating, summarising and reporting the results and presenting an overview of all material received. The summary reports were intended to inform any potential next stage of the process, including feasibility studies. No attempt was made by BSO to present a view with regard to possible models for service delivery or viability of approaches. The Scoping Studies were completed by 30 June 2015 and captured the following factual details:

- Services provided
- Processes and Systems used
- Financial, workforce and other resources associated with the provision of the services
- Performance and quality measures currently in place
- Risks and service issues associated with current provision
- Other relevant information.

With the agreement of the DHSSPS, support from an external provider has been obtained to assist with considering the feasibility and rationale for taking forward the implementation of expanded shared services for provision on a regional basis through BSO. This project commenced on 1 December 2015, to conclude by 29 February 2016 and relates to three of the areas scoped:

- Shared Data Centres and IT Support
- Provision of Business Intelligence
- Regional Employment Bank and Medical Bank/Agency Medical.

The feasibility of expanding Corporate Services functions to smaller HSC Arms-Length Bodies has been taken forward without the need for external assistance. The outputs of the project for each of the three areas above to be available at the end of February 2016 will include a short list of recommendations on the way forward for consideration by the Senior Responsible Officer and DHSSPS.

c) Review of HSC Administrative Structures

On 4 November 2015 the Minister for Health announced his vision for reform and transformation of Health and Social Care in Northern Ireland which focused on changes to help remove bureaucracy; strengthen accountability; enhance patient safety and improve the quality of care. This announcement signalled the Minister's intention of moving away from the current system of healthcare commissioning in Northern Ireland, following consideration of the findings of the 'Donaldson Review' of health and social care governance arrangements in Northern Ireland (2014) and the Department's own Review of HSC Commissioning carried out in 2015. One of the clear messages in the Review of Commissioning was the need to de-layer the HSC system, in order to strengthen accountability and responsiveness.

Following a period of consultation on a number of reform proposals in Health and Social Care Structures (*Health and Social Care: Reform and Transformation, Getting the Structures Right*) during December 2015 to February 2016, the Minister announced on 24 March 2016 that there had been a clear endorsement for the need to change. The Minister confirmed that, with the objective of eliminating bureaucracy and aiding innovation, the Health and Social Care Board would cease to exist, with system level strategic planning and decision making for the bulk of Health and Social Care passing to the Department. HSC Trusts are to be given greater authority to spend their budgets in order to maximise the impact for their patients and clients and are to be held fully accountable for the outcomes that they deliver and to live within the resources they have.

Legislation will be needed for any major structural change, nevertheless BSO will continue to engage with our HSC colleagues on restructuring in order to ensure that any negative impact to our Service Level Agreement funding will be minimised.

BSO Strategic Objectives 2015-18

The BSO Strategic Objectives for the period 2015-18 are the focus of everything we do in this period:

- **To Deliver Value for Money Services to our Customers;**
- **To Grow our Services and Customer Base;**
- **To Pursue and Deliver Excellence through Continuous Improvement and**
- **To Enhance the Contribution and Development of Our People.**

The Strategy for 2015-18 is diagrammatically represented on page 7 of this document.

BSO Key Priorities/Actions/Targets for 2016-17

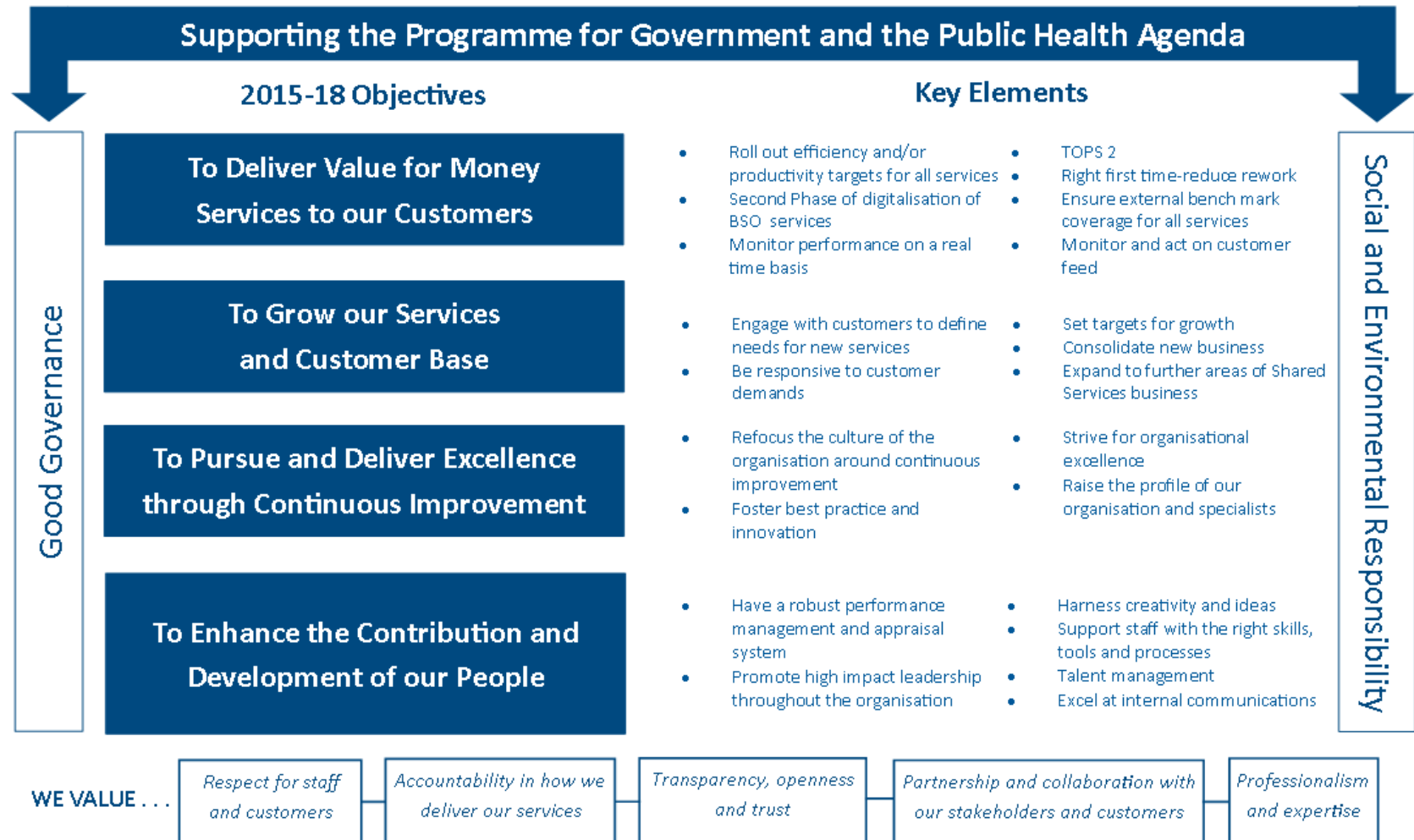
In considering all of the above, the four Key Priorities proposed for BSO within 2016-17 are:

- 1. Continue to expand Shared Services** (Key Priority/Target 8)
- 2. Further develop communication and engagement, both internal and with customers** (Key Priorities/Targets 1 and 13)
- 3. Influence strategic direction through business intelligence** (Key Priority/Target 14)
- 4. Continue to attract, retain and develop staff** (Key Priorities/Targets 22, 23, 24, 25 and 26).

These Priorities are described in more detail with regard to the action we will take in our Annual Business Plan 2016-17.

STRATEGIC OBJECTIVES, MISSION & VALUES 2015-18

"to deliver value for money and high quality business services to Health and Social Care so contributing to the health and well being of the population in Northern Ireland"



BSO Strategic Objective 1: *To Deliver Value for Money Services to our Customers*

Key Priorities/Targets	Key Actions
<p>1. Further develop customer relationship management.</p>	<ul style="list-style-type: none"> • By June 2016, further develop a service portfolio/catalogue and supporting materials, presenting BSO as 'one service provider' (Responsibility: Director of Customer Care & Performance); • By September 2016, review the BSO Customer Relationship Strategy with a focus on improved customer communication. (Responsibility: Director of Customer Care & Performance); • By March 2017, develop a consistent Customer Relationship Management (CRM) model for Shared Services (Responsibility: Chief Executive - Head of Shared Services to co-ordinate); • Engage with HSC organisations regarding the implications of HSC restructuring and the impact on BSO funding. This is with a view to initiate work relating to the identification of SLA funding adjustments in respect of any redistribution of services across HSC organisations by March 2017. Responsibility: Senior Management Team - Directors of Finance and Customer Care & Performance to co-ordinate

<p>2. Agree a contracting programme 2016/17 with HSC organisations, recognising service priorities and resource availability to be delivered within the regulations and minimising successful legal challenges. Wherever possible, in conjunction with HSC stakeholders, seek to achieve levels of product/service standardisation with consideration given to Social Clauses and Sustainability.</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Target 8]</i></p>	<ul style="list-style-type: none"> • Engage with stakeholders to agree an HSC contracting programme for 2016/17 based on available resources (by June 2016); • 98% of all contracts managed by PaLS to be compliant with NI public procurement policy; • 98% of regional or multi-organisations contracts not subject to legal challenge to be renewed on time; • No more than 2% of tenders stood down as a result of a challenge. <p>(all by March 2017)</p> <p>Responsibility: Director of Operations</p>
<p>3. Implement FPL Application Upgrade</p>	<ul style="list-style-type: none"> • BSO (Shared Services Business Services Team, supported by ITS) to agree a project plan with ABS by June 2016; • Implementation by November 2016. <p>Responsibility: Head of Shared Services and Director of Customer Care & Performance</p>
<p>4. Implement New Framework Agreement on IT (Technology Partnership Agreement).</p>	<ul style="list-style-type: none"> • Options for award of new contract to be identified by PaLS/IT/Legal Services by September 2016; • Award contract by March 2017. <p>Responsibility: Directors of Operations and Customer Care & Performance and Chief Legal Adviser</p>

<p>5. Migrate BSO-provided IT services from the legacy Data Centres to the new shared Public Sector data centres which will be available from August 2016. (The new data centres are much more cost efficient in relation to power usage and offer higher levels of availability.)</p>	<ul style="list-style-type: none"> • New platform commissioned in new Data Centres by October 2016; • Testing of new platform completed by November 2016; • Migration plan completed and implemented for approximately 30% of customer-facing services by March 2017. <p>Responsibility: Director of Customer Care & Performance</p>
<p>6. Progress Record Digitisation Programme in conjunction with NI Court Service</p>	<ul style="list-style-type: none"> • In conjunction with the Court Service, the Bar Council and other stakeholders, develop the use of electronic information exchange in court processes, in compliance with the Civil Justice Review (by March 2017). <p>Responsibility: Chief Legal Adviser</p>
<p>7. Roll out BSO Benchmarking Programme to new areas of service.</p>	<ul style="list-style-type: none"> • By March 2017, incorporate new areas of Shared Service into corporate benchmarking programme. <p>Responsibility: Director of Customer Care & Performance to co-ordinate</p>

BSO Strategic Objective 2: *To Grow our Services and Customer Base*

Key Priorities/Targets	Key Actions
<p>8. Continue to expand Shared Services.</p>	<ul style="list-style-type: none"> • By July 2016, complete and implement Corporate Services offer across the region (Responsibility: Director of Human Resources & Corporate Services); • <u>Within three months of receiving DHSSPS decision</u>, have considered the implications of feasibility studies on Shared Services in relation to IT, Business Intelligence and Employment Banks (Responsibility: Senior Management Team); • By March 2017, have begun to implement the delivery plans for the preferred options identified in the Shared Services feasibility studies (Responsibility: Senior Management Team); • By March 2017, explore further growth opportunities in the wider public sector, e.g. GP Federation (Responsibility: Senior Management Team – Director of Customer Care & Performance to co-ordinate); • Participate in Programme Board for Public Sector Shared Services. Where appropriate, attend and present at NI and UK wide Shared Services conferences and participate in P2S Initiative on-going to March 2017 (Responsibility: Chief Executive - Head of Shared Services to co-

<p>9. Ensure Shared Service Logistics model, systems and structures identified in the Outline Business Case are established and embedded in accordance with Ministerial approval and implementation plans.</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Action 24].</i></p>	<p>ordinate).</p> <ul style="list-style-type: none"> Engage with Trusts to review Logistics Shared Services arrangements. This is with a view to having an agreed implementation programme with Trusts by March 2017. <p>Responsibility: Director of Operations</p>
<p>10. In line with the <i>HSC Strategic Procurement Action Plan</i>, implement plans for agreed new service provision to NI Fire and Rescue Service (NIFRS) and scope additional proposals for the future.</p>	<ul style="list-style-type: none"> Engage NIFRS on integrated procurement service by June 2016; Implement and test new technology platform for NIFRS by June 2016; Migrate NIFRS IT staff into BSO by March 2017; Scope potential for provision of Counter Fraud service to NIFRS by March 2017; Scope potential for provision of Legal Services to NIFRS by March 2017; Scope potential for provision of Shared Services to NIFRS by March 2017. <p>Responsibility: Senior Management Team (Director of Customer Care & Performance to co-ordinate).</p>

<p>11. Lead/support implementation, across the HSC system, of the HSC Task and Finish Group recommendations on Social Care Procurement. This includes scoping and implementing service arrangements for BSO PaLS new Social Care Procurement Service (SCPU).</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Actions 1 and 2].</i></p>	<ul style="list-style-type: none"> • Prepare proposals/business case for implementation of social care procurement across the HSC, which includes future role of SCPU in line with the recommendations of the Task and Finish Group by July 2016; • Prepare a detailed regional procurement plan for Social Care Procurement, as agreed at January 2016 RPB, by January 2017; • Secure recurrent funding for SCPU based on model of services accepted in proposal by March 2017; • Ensure implementation of service proposals as agreed at January 2016 Regional Procurement Board (RPB) in accordance with Project Initiation Document agreed at RPB in April 2016 (on-going to March 2017 and beyond). <p>Responsibility: Director of Operations</p>
<p>12. Implement Procurement and Logistics Service developments in:</p> <ul style="list-style-type: none"> ➤ Services and Maintenance Contracts category; ➤ Strategic ICT Procurement; ➤ EProc Support Service. <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Actions 9 and 10].</i></p>	<ul style="list-style-type: none"> • Recruit Service and Maintenance Contracts team, secure accommodation, agree work plan and commence service; • Appoint Head of Strategic ICT Procurement (assumes funding from HSCB), develop internal capacity to provide strategic procurement advice in this area and forward procurement plan in conjunction with HSC stakeholders; • Implement EProc support service (all by June 2016). <p>Responsibility: Director of Operations</p>

BSO Strategic Objective 3: *To Pursue and Deliver Excellence through Continuous Improvement*

Key Priorities / Targets	Key Actions
<p>13. Further develop communication and engagement</p>	<p>Review communication strategy, including website and marketing of BSO as employer with effective use of social media:</p> <ul style="list-style-type: none"> • Identify Project Lead for review of communications (by June 2016); • Communication plan in place (by September 2016). <p>Responsibility: Director of Human Resources & Corporate Services</p>
<p>14. Influence strategic direction through business intelligence.</p>	<ul style="list-style-type: none"> • Find ways to better harvest the information held across our services and identify how this information can be used to support continuous improvement and quality agendas of BSO and our customers (e.g. using Big Data or standardised procurement to help provide greater savings/value to our customers); • Present the correct data to produce intelligence and insight to better inform evidence-based strategic decisions across the region;

	<ul style="list-style-type: none"> • Consider the need for further BSTP extracts to be included in the Regional Data Warehouse. <p>On-going to March 2017 and beyond</p> <p>Responsibility: Senior Management Team</p>
<p>15. Exploit new technology available through FPL systems to improve process efficiencies both within PaLS and elsewhere in the ‘purchase- to -pay process’.</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Actions 25, 26 and 27].</i></p>	<ul style="list-style-type: none"> • PaLS to engage with Shared Services Accounts Payable (SSAP) and Trusts to ensure ‘purchase-to-pay’ processes operate effectively through the eProc support service; • Identify any opportunities for service efficiencies or cost reductions in service provision and implement (By September 2016). <p>Responsibility: Director of Operations</p>
<p>16. Support implementation of eTendersNI system in Estates and Social Care Procurement departments (subject to funding availability). Work with Central Procurement Directorate (CPD) to standardise documentation and processes where possible.</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Target 29].</i></p>	<ul style="list-style-type: none"> • Finalise estates staff user manual (by June 2016); • All relevant staff to have attended training sessions (by December 2016); • By March 2017, ensure implementation of the rollout of an eTendersNI in accordance with the timeline agreed at the Regional Procurement Board in April 2016. <p>Responsibility: Director of Operations</p>

<p>17. Deliver productivity and cash releasing efficiencies as set out in 2016/17 savings plans by March 2017.</p>	<ul style="list-style-type: none"> • Achieve the financial breakeven target of 0.25% or £20k (whichever is the greater) of revenue allocation by March 2017. <p>Responsibility: Senior Management Team (Director of Finance to co-ordinate)</p>
<p>18. Provide Consistent and Reliable Clinical Negligence Settlements.</p>	<ul style="list-style-type: none"> • In conjunction with DHSSPS, HSCB and HSC Trusts, provide consistent and reliable clinical negligence settlement forecasts throughout the year monthly to March 2017. <p>Responsibility: Director of Finance/Chief Legal Adviser</p>
<p>19. Maintain the prompt payment targets for undisputed invoices throughout 2016/17.</p>	<ul style="list-style-type: none"> • The minimum standard of paying 95% of undisputed invoices within 30 days throughout 2016/17; • The 10-day target of 75% for undisputed invoices <p>(by March 2017)</p> <p>Responsibility: Chief Executive (Head of Shared Services to co-ordinate)</p>
<p>20. During 2016/17 review and test emergency preparedness and business continuity arrangements.</p>	<ul style="list-style-type: none"> • Participate with PHA/HSCB in the annual review and validation of the Joint Emergency Response Plan; • Carry out annual desktop exercise in Legal, ITS and PaLS, along with corporate BSO exercise <p>(by March 2017)</p> <p>Responsibility: Director of Human Resources & Corporate Services</p>

21. Ensure necessary steps are being taken by Clinical Education Centre (CEC) in relation to revalidation of Nurses and Midwives.

- Ensure that all Nursing and Midwifery Council (NMC) registrants who work in the CEC and who are ready to renew their registrations during 2016/17 are prepared and ready to do so by going through the new revalidation process in line with their relevant dates;
- On behalf of the DHSSPS, lead on the introduction of training for professional supervision of Allied Health Professionals (AHPs);
- Maximise the use of appropriate technology in the delivery and evaluation of CEC education and development programmes in line with the findings of the assessments of technology and audio visual equipment audit undertaken in 2015

(all by March 2017)

Responsibility: Chief Executive - Head of Clinical Education Centre to co-ordinate

BSO Strategic Objective 4: *To Enhance the Contribution and Development of our People*

Key Priorities / Targets	Key Actions
<p>22. By 30 June 2016, 90% of staff to have had an annual appraisal of their performance in 2015/16 and an agreed personal development plan for 2016/17.</p>	<ul style="list-style-type: none"> • Monitor through BSO Corporate Scorecard. <p>(by June 2016)</p> <p>Responsibility: Senior Management Team (Director of Human Resources & Corporate Services to co-ordinate)</p>
<p>23. Review the current Human Resources Strategy (2015-18) with a view to ensuring issues relating to talent acquisition and management are refreshed and updated.</p>	<ul style="list-style-type: none"> • Directorates to assess the profession-specific skill requirements for the duration of the strategic planning period in accordance with guidance to be issued by DHRCS by June 2016; • Develop and modernise current recruitment practices to reflect the relevant talent pools by September 2016. <p>Responsibility: Senior Management Team (Director of Human Resources & Corporate Services to co-ordinate)</p>
<p>24. Review Succession Planning arrangements within BSO with a view to ensuring appropriate talent development and acquisition to meet future business needs.</p>	<ul style="list-style-type: none"> • Succession Planning Programme in place by September 2016 <p>Responsibility: Director of Human Resources & Corporate Services</p>

<p>25. Review outcome of Regional Staff Survey and Investors in People (IiP) Feedback Report and develop action plan to address key priorities.</p>	<ul style="list-style-type: none"> • Detailed action plan to be agreed by Senior Management Team by April 2016. <p>Responsibility: Director of Human Resources & Corporate Services</p>
<p>26. Achieve the corporate attendance management targets as set by DHSSPS (to be confirmed).</p>	<ul style="list-style-type: none"> • 3.96%¹ absence target achieved by March 2017. <p>Responsibility: Senior Management Team (Director of Human Resources & Corporate Services to co-ordinate)</p>

¹ Target calculated in accordance with DHSSPS guidance.

RESOURCING THE PLAN 2016/17

1. Introduction

1.1 This section of the plan sets out the anticipated financial context for 2016/17 and describes the expected income and expenditure position for the year.

2. Income

2.1 BSO earns its income from provision of services to a range of HSC organisations including the HSC Board, HSC Trusts and other HSC Agencies and Bodies. It also administers funds on behalf of other organisations such as DHSSPS and the HSC Board.

2.2 A BSO Service Offering, which contains information on all of the services we deliver to clients, is compiled and issued to customers on an annual basis. This document, importantly, outlines the efficiencies that each service area offers to its client base. BSO undertakes a series of bi-lateral meetings with clients to discuss services provided and any cash and non-cash efficiencies for the new financial year. These efficiencies are incorporated into the final 2016/17 Service Offering which drives the preparation of the Service Level Agreements (SLAs) for 2016/17.

2.3 In preparing the current 2016/17 budgeted income and expenditure position for this document, the outworkings of the 2016/17 draft Service Offering and information on 2016/17 funding allocations from DHSSPS have been factored into the budgeted income and expenditure positions, resulting in an anticipated release of £2.2m cash efficiencies.

2.4 Based on these planned efficiencies, the expected income from HSC SLAs is £47.9m. This includes a level of assumed pay and price uplift for 2016/17 and anticipated income in 2016/17 in the region of £11.8m relating to the provision of Shared Services, along with associated system maintenance costs, to HSC organisations.

- 2.5 The BSO also receives funding from DHSSPS in respect of the core services it delivers to both the DHSSPS and other HSC Organisations, for example the Business Services Transformation Programme and the HSC Clinical Education Centre. In October 2015, DHSSPS wrote to BSO and other HSC Arms Length Bodies (ALBs) asking for savings proposals to meet three separate planning scenarios for 2016/17. These planning scenarios referenced a 5%, 10% or 15% cut to the recurrent Revenue Resource Limit (RRL) funding it receives in the 2016/17 financial year.
- 2.6 The BSO response to DHSSPS in November 2015 outlined a number of savings proposals which would enable BSO to respond to a funding cut to the level required under each scenario. BSO received a 2016/17 DHSSPS allocation letter on 16 March 2016, providing formal confirmation that a 15% cut to the BSO recurrent RRL had been applied, effective from April 2016. BSO will continue to engage with DHSSPS to finalise approved savings plans. In preparing the budgeted income for 2016/17, this 15% reduction has been applied to BSO RRL funding. Based on this and a level of assumed pay and price uplift for 2016/17, the expected level of RRL funding for BSO Core Services is £8.3m for 2016/17.
- 2.7 In addition to the funding sources described above, there are a number of other areas from which BSO derives income. These include services such as HSC Leadership Centre consultancy and training, miscellaneous Legal recharges and staff recharges which attract an additional £2.4m annually.
- 2.8 The BSO, through its Procurement and Logistics Service (PaLS), manages stock issues for the HSC Organisations. This fluctuates with demand and turnover is estimated at c£45m, based on 2015/16 expected full year activity. There is no surplus or deficit anticipated in these transactions.
- 2.9 The regional ITS Programme revenue and capital expenditure, commissioned by the HSC Board, is also administered through the BSO. The revenue expenditure, which is recharged in full to the HSC Board, is expected to be in the region of £14m in 2016/17, based on 2015/16 anticipated out-turn. Any capital expenditure is funded by way of Capital Resource Limit (CRL) funding from DHSSPS and is currently in the region of £4m annually.
- 2.10 In addition, the BSO administers expenditure on (Non-Core) Services on behalf of the DHSSPS such as Nursing Bursaries and Healthy Start programme expenditure. This expenditure funded by DHSSPS by way of RRL funding and is in the region of £17.5m per annum. BSO also administers expenditure for other organisations of £3.8m, which is also recharged in full.

3. Expenditure

- 3.1 This section deals with the projected expenditure in 2016/17. The cash releasing efficiencies outlined in section 2 and an estimated inflationary uplift have been incorporated into the overall expenditure budgets.
- 3.2 Detailed budgets will be agreed with BSO Directorates and final budgets will be provided for approval to the BSO Board in May 2016.
- 3.3 It is assumed that the non-core expenditure related to the regional ITS Programme, PaLS Trading and those services administered on behalf of DHSSPS and others will be fully funded.

4. Income and Expenditure Position

- 4.1 Based on the current income assumptions and the anticipated expenditure budgets, the combined income and expenditure position for 2016/17 is shown in Table 1, overleaf.
- 4.2 It should be noted that, pending any formal decisions regarding the ongoing consideration of the further expansion of Shared Services, no assumptions have been made within this document regarding any potential impact this may have on BSO income and expenditure.
- 4.3 BSO has discussed extending the provision of a number of services with customers. As with the expansion of Shared Services, no assumptions have been made regarding any potential impact on BSO income and expenditure.

TABLE 1 – BSO Budgeted Income and Expenditure Position 2016/17

	Core Services £'000	Non Core Services £'000	BSO Total £'000
Income Sources;			
Management Fees / SLA	47,892		47,892
RRL - Core Services	8,302		8,302
RRL - Non Core Services		17,529	17,529
Other Income	2,394	3,843	6,237
ITS Programme		14,000	14,000
PaLS Trading		45,000	45,000
			-
Total Income	58,588	80,372	138,960
Expenditure;			
Pay & Non Pay Expenditure	58,588		58,588
Administered expenditure		80,372	80,372
Total Expenditure	58,588	80,372	138,960
Surplus / (Deficit)	-	-	-

5. Conclusion

5.1 The resultant position is an anticipated breakeven position for 2016/17 based on assumptions made, and previously documented, regarding the levels of income, expenditure and ability to deliver the assumed efficiencies in the year ahead.