

BSO BUSINESS PLAN 2017/18

Year Three of BSO Corporate Strategy 2015/18



Introduction to BSO Annual Business Plan 2017-18

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. 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.

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

This Business Plan is written in the context of Department of Health (DoH) priorities, especially the *'Making Life Better'* public health framework, the draft *'Programme for Government Framework, 2016-21'*, and the Ministerial vision set out in *'Health and Wellbeing 2026: Delivering Together'*. We recognise also that the strategic direction of BSO will be shaped within the context of on-going financial constraints and HSC reform and re-structuring.

There have been a number of developments in the past year which will be particularly pertinent to the BSO plans for the year ahead. These are described below.

a) Impact of the EU Referendum

In the wider arena we must acknowledge that the impact of the UK's vote in June 2016 to leave the EU could have major implications for health and social care in the longer term. While this is impossible to forecast at the present time, it is clear that the vote has added significantly to the economic and political uncertainty at a time when the health and social care system at a national level is facing huge operational and financial pressures. While outside the timeframe of this business plan, a number of important issues will need to be resolved in the medium to longer term. These include matters of staffing; accessing treatment here and abroad; regulation (employment, procurement and competition law, professional standards and education); cross-border co-operation (in public health issues, protection of vulnerable citizens and the scientific research agenda); funding and finance.

b) NI Programme for Government, Public Health Agenda and Transformation of Health and Social Care

It had been widely anticipated that the **new Programme for Government** with its associated Economic and Investment Strategy would have been available during the latter part of last financial year. However, due to a number of unforeseen developments on the political front, NI Assembly Elections were held again in early March 2017. The finalisation and agreement of the Programme for Government will not take place until new structures of government are in place. It is anticipated that any finalised Programme for Government will continue to include a greater focus on outcomes achieved on a cross-departmental basis.

The Minister for Health published her ten-year vision for the future of Health and Social Care on 25 October 2016, entitled **'Health and Wellbeing 2026: Delivering Together'**. Aligned with the draft Programme for Government, the overarching ambition contained within *'Delivering Together'* is for every one of us to **lead long, healthy and active lives**. The Ministerial vision provided a roadmap required for radical reform and transformation of Health and Social Care by:

- Improving the health of our people
- Improving the quality and experience of care
- Ensuring the sustainability of our services
- Supporting and empowering staff.

The Minister subsequently announced the transformation oversight structure to drive forward change in the Health and Social Care system and the Chief Executive of BSO has been appointed to the **Transformation Implementation Group**. This group is comprised of the Top Management Team in the DoH, HSC Chief Executives and other stakeholders. BSO has been assigned to the work-stream relating to Social Care Clauses, highlighting the importance of **procurement** as a strategic tool to support health and social care delivery. In addition, BSO will engage with key stakeholders in advance of the introduction of anticipated Social Value legislation to ensure its appropriate application to activities carried out on behalf of our customers.

Technology will underpin and support transformation processes throughout the HSC. The Northern Ireland Electronic Care Record (NIECR) has already transformed the informed delivery of healthcare throughout the HSC. However, NIECR still relies on the existence of multiple systems, many of which require replacing, to create the patient/client record. The HSC vision is for a **digital record-in-common** for every citizen in Northern Ireland that facilitates their health and wellbeing throughout their life. This will be known as an **Electronic Health and Care Record (EHCR)**. It will be built on a digital platform that streamlines services and patient/client journeys and links information across primary, secondary, community and social care. In delivering the highest quality care to the population of Northern Ireland, this represents a unique opportunity to position the HSC among global leaders. The EHCR programme is currently working on the production of a business case to seek approval to proceed to procurement. BSO will play a major part in helping to shape the procurement and selection of this large scale solution, including the replacement of underpinning regional clinical systems.

c) Expansion of Shared Services

During the previous two financial years, BSO was asked by the then DHSSPS to undertake scoping studies for a number of functions which had been identified as having potential to be provided as a regional service and thereby improve efficiency and effectiveness in the HSC.

Support from an external provider was also obtained to assist with considering the feasibility and rationale for taking forward the implementation of expanded shared services through BSO. This project concluded in February 2016 and related 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 expansion of BSO Corporate Services functions to smaller HSC Arms-Length Bodies was taken forward during 2016-17 without the need for external assistance. A decision from DoH in relation to the outcome of the feasibility studies is still awaited.

During the past financial year, a **NI Shared Services Project** has been established to consider the development of shared services across the public sector i.e. HR, Payroll, Finance and IT. The BSO Chief Executive is a member of the Shared Services Programme Board, which is chaired by the Head of Civil Service. Membership includes a number of Permanent Secretaries as well as representatives from the current shared services across the public sector. BSO has been asked to support this project and a number of key members of staff have been seconded to work within it. In addition, a number of BSO Directors have been nominated to participate in the Public Sector Shared Services Strategic Advisory Group.

BSO Planning and Performance Monitoring Cycle

As part of its annual planning cycle, each year the BSO holds a series of Strategic and Business Planning Workshops with BSO Board members and senior staff. The results of our annual Customer Satisfaction Survey are also scheduled in order to ensure that account was taken of customer feedback in planning our services for next year. Our current three-year Corporate Strategy covers the period 2015-18 and include our Strategic Objectives, Mission and Values and will be supported by an annual Business Plan setting out the key priorities and targets to be delivered during that year. The BSO's mission, which 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 population in Northern Ireland”*, remains particularly relevant in the increasingly challenging economic environment.

A summary of progress on how well the organisation is delivering on its key actions identified within the annual business plan is provided to the BSO Board on a quarterly basis as well as to DoH Sponsor Branch. A Traffic Light System Rating

is used which is a summary of progress to date and an indication of the level of confidence that actions identified in the Business Plan will be delivered by the completion date. A Summary Exception Report to the BSO Board includes a brief commentary against all those actions where the rating is Red or Amber. This outlines the remedial action being taken to ensure achievement by year end and reasons for any extension of timeline or any cancellation of action. This is in addition to monthly reporting on performance through the BSO Corporate Balanced Scorecard.

BSO Strategic Objectives 2015-18

The BSO Strategic Objectives for the period 2015-18 will remain the focus of everything we do in the concluding year of our three-year Corporate Strategy:

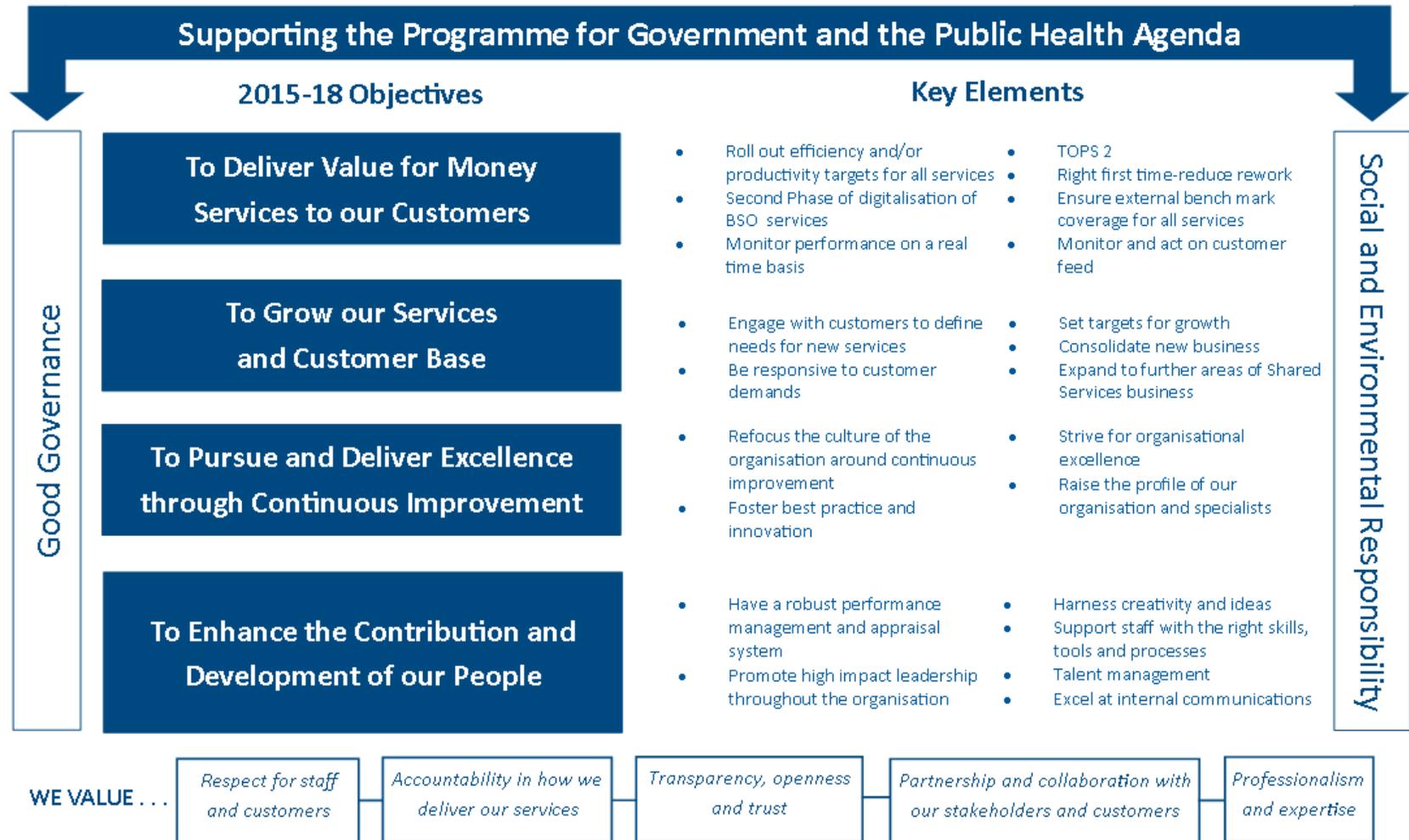
- **To Deliver Value for Money Services to our Customers;**
- **To Grow our Services and Customer Base;**
- **To Pursue and Deliver Excellence through Continuous Improvement and**
- **To Enhance the Contribution and Development of Our People.**

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

There are 29 Key Priorities/Targets with associated Actions grouped under each of the Strategic Objectives which are described in more detail in our Annual Business Plan 2017-18.

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 Corporate Objective 1: *To Deliver Value-for-Money Services to Our Customers*

Key Priorities/Targets	Key Actions
<p>1. Ensure that the mechanism for charging for our services is clear and transparent to customers.</p>	<ul style="list-style-type: none"> • By April 2017, have reached agreement with HSCB regarding realigned costing of Service Level Agreements and issued information to HSC customers <p>(Responsibility: Director of Finance)</p> <ul style="list-style-type: none"> • By April 2017, have issued Service Level Agreements with realigned costings to HSC customers for signature <p>(Responsibility: Director of Customer Care & Performance)</p>
<p>2. Deliver a contracting programme for 2017-18 agreed 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 2017/18 based on available resources; • 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;

	<ul style="list-style-type: none"> No more than 2% of tenders stood down as a result of a challenge. <p>(on-going to March 2018)</p> <p>Responsibility: Director of Operations</p>
<p>3. Implement FPL Application Upgrade</p> <p><i>[carried over from BSO Business Plan 2016-17*]</i></p> <p>*supplier could not deliver environment as per contractual agreement.</p>	<ul style="list-style-type: none"> Implementation by July 2017. <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> <p><i>[carried over from BSO Business Plan 2016-17*]</i></p>	<ul style="list-style-type: none"> Award contract by August 2017 (*originally March 2017) <p>Responsibility: Directors of Operations and Customer Care & Performance and Chief Legal Adviser</p>
<p>5. Migrate all BSO-provided IT services from the legacy Data Centres to the new Tier 3 shared Public Sector data centres.</p> <p><i>[action on-going from BSO Business Plan 2016-17]</i></p>	<ul style="list-style-type: none"> 50% of services transferred by September 2017; 100% of services transferred by March 2018. <p>Responsibility: Director of Customer Care & Performance</p>
<p>6. Roll out Employee on-line access to Pensions information.</p>	<ul style="list-style-type: none"> Implement planned roll-out of employee access to ALTAIR system to facilitate the updating of personal data and calculation of benefit estimates by July 2017. <p>Responsibility: Director of Operations</p>

<p>7. Re-design HSC Pensions workflows and procedures in line with Pension Reform and statutory legislative changes.</p>	<ul style="list-style-type: none"> • Update new website with relevant CARE (Career Average Revalued Earnings) electronic downloadable content by September 2017. <p>Responsibility: Director of Operations</p>
<p>8. Deliver corporate Benchmarking programme</p>	<ul style="list-style-type: none"> • Facilitate rolling corporate benchmarking programme and incorporate new areas of service as appropriate. <p>Responsibility: Senior Management Team (Director of Customer Care & Performance to co-ordinate)</p>

BSO Corporate Objective 2: *To Grow Our Services and Customer Base*

Key Priorities/Targets	Key Actions
<p>9. Continue to expand Shared Services.</p>	<ul style="list-style-type: none"> • Shared Services to meet BSO Outline Business Case (OBC) targets applicable to BSO by September 2017 (Responsibility: Chief Executive – Head of Shared Services to co-ordinate); • Implement plans for new Interpreting Service provision to Deaf and Hard of Hearing Community in line with HSCB policies and direction by March 2018 (Responsibility: Chief Executive – Head of Shared Services to co-ordinate); • <u>Subject to DoH decision</u>, implement delivery plans for the preferred options identified in the Shared Services feasibility studies by March 2018 and beyond (Responsibility: Senior Management Team); • Participate in Public Sector Shared Services Strategic Advisory Group, on-going to March 2018 (Responsibility: Chief Executive, Directors of Human Resources & Corporate Services and Customer Care & Performance and Head of Shared Services)

<p>10. 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. <i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Action 24].</i></p>	<ul style="list-style-type: none"> • Integrated supply chain model implemented across all Trusts by March 2018. <p>Responsibility: Director of Operations</p>
<p>11. Implement Social Care Procurement to agreed timetable. <i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Action 2].</i></p>	<ul style="list-style-type: none"> • Work with Social Care Procurement Project Board to deliver agreed project products to timescales by March 2018. <p>Responsibility: Director of Operations</p>
<p>12. Implement new services to NI Fire and Rescue Service (NIFRS).</p>	<ul style="list-style-type: none"> • Complete migration of NIFRS IT staff to BSO by June 2017 <i>[carried over from BSO Business Plan 2016-17*]</i> • Embed Pensions Service to NIFRS through agreeing scope and range of requirements, resources required and implementation schedule by July 2017; • Engage NIFRS on procurement service and agree a timescale for implementation by September 2017; • Continue to scope potential for provision of Legal Services to NIFRS by December 2017. <p>Responsibility: Directors of Operations, Customer Care & Performance and Chief Legal Adviser</p>
<p>13. Work with Department of Health (DoH) to implement future service delivery arrangements for Pharmacy procurement following DoH review. <i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Actions 20 and 21].</i></p>	<ul style="list-style-type: none"> • Agree recommendations of DoH Pharmaceutical Procurement Review and implement changes where necessary (by March 2018). <p>Responsibility: Director of Operations</p>

<p>14. Continue to review and plan clinical educational programme in line with customer need/demand and strategic priorities.</p>	<ul style="list-style-type: none"> • Deliver five regional and multi-disciplinary learning events on topical/strategic issues; • Pass rate of 70% in OSCE (Objective Structured Clinical Examination) for the international nurse recruitment programme <p>(by March 2018)</p> <p>Responsibility: Chief Executive - Head of Clinical Education Centre to co-ordinate</p>
<p>15. Plan for new HSC Regional Clinical Systems.</p>	<p>Support the Senior Responsible Officer (SRO) to complete an Outline Business Case (OBC) for replacement of:</p> <ul style="list-style-type: none"> • the regional NIPACS imaging system by April 2017 • the regional Pathology system by September 2017 • the regional Laboratory system by October 2017 <p>Responsibility: Director of Customer Care & Performance</p> <ul style="list-style-type: none"> • Support the SRO to complete the OBC and begin procurement of the regional Electronic Health and Care Record (EHCR) by March 2018 <p>Responsibility: Chief Executive</p>

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

Key Priorities / Targets	Key Actions
<p>16. Exploit technology to improve process efficiencies within Procurement and Logistics and elsewhere as appropriate.</p> <p><i>[HSC Strategic Procurement Action Plan issued by DHSSPS – Actions 25, 26 and 27].</i></p> <p><i>*carried over from BSO Business Plan 2016-17 as supplier could not deliver environment as per contractual agreement]</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 following system upgrade Version 5 scheduled for June 2017* <p>(by September 2017)</p> <ul style="list-style-type: none"> • Increase percentage use of transactions from catalogue (target 80%): • Improve ratio of expenditure of Purchase Order Payment (POP):Finance Process Manager (FPM) system by 20% <p>(by March 2018)</p> <p>Responsibility: Director of Operations</p>

<p>17. 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); • Identify how Shared Services Centre information can be used to support continuous improvement and quality agendas of BSO and our customers by September 2017; • Present the correct data to produce intelligence and insight to better inform evidence-based strategic decisions across the region; • Consider the need for further BSTP extracts to be included in the Regional Data Warehouse. <p>On-going to March 2018 and beyond</p> <p>Responsibility: Senior Management Team (Directors of Customer Care & Performance and Head of Shared Services to co-ordinate)</p>
<p>18. Deliver productivity and cash releasing efficiencies as set out in 2017/18 savings plans by March 2018.</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 2018. <p>Responsibility: Senior Management Team (Director of Finance to co-ordinate)</p>

<p>19. Provide Consistent and Reliable Clinical Negligence Settlement Forecasts.</p>	<ul style="list-style-type: none"> • In conjunction with DoH, HSCB and HSC Trusts, provide consistent and reliable clinical negligence settlement forecasts throughout the year monthly to March 2018. <p>Responsibility: Director of Finance/Chief Legal Adviser</p>
<p>20. Achieve the prompt payment targets for undisputed invoices for BSO throughout 2017/18.</p>	<ul style="list-style-type: none"> • The minimum standard of paying 95% of undisputed invoices within 30 days throughout 2017/18; • The 10-day target of 75% for undisputed invoices <p>(by March 2018)</p> <p>Responsibility: Chief Executive (Head of Shared Services to co-ordinate)</p>
<p>21. During 2017/18 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 2018)</p> <p>Responsibility: Director of Human Resources & Corporate Services</p>

<p>22. Support Executive's Asset Management Strategy.</p>	<ul style="list-style-type: none"> • Ensure that Property Asset Management Plan (PAMP) and asset management returns are provided to DOH in line with Departmental requirements <p>(ongoing to March 2018)</p> <p>Responsibility: Director of Human Resources & Corporate Services</p>
<p>23. Undertake an improvement plan in relation to Shared Services Payroll/Pension Administration.</p>	<ul style="list-style-type: none"> • Implement improvement plan by March 2018. <p>Responsibility: Chief Executive and Director of Operations – Heads of Shared Services and HSC Pensions to co-ordinate</p>

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

Key Priorities / Targets	Key Actions
<p>24. By 30 June 2017, 90% of staff to have had an annual appraisal of their performance in 2016/17 and an agreed personal development plan for 2017/18.</p>	<ul style="list-style-type: none"> • Review and improve appraisal process <p>(Responsibility: Director of Human Resources & Corporate Services)</p> <ul style="list-style-type: none"> • Monitor through BSO Corporate Scorecard <p>(by June 2017)</p> <p>Responsibility: Senior Management Team (Director of Human Resources & Corporate Services to co-ordinate)</p>
<p>25. Review outcome of Regional Staff Survey and Investors in People (IiP) Feedback Report and develop action plan to address key priorities. Plan should include any outstanding/on-going items from the Staff Suggestion Scheme.</p>	<ul style="list-style-type: none"> • Action plan to be agreed by Senior Management Team by April 2017. <p>Responsibility: Director of Human Resources & Corporate Services</p>
<p>26. Ensure training reflects BSO business needs and that workforce is properly skilled, inducted and equipped for change, taking into consideration all survey outcomes.</p>	<ul style="list-style-type: none"> • Training delivery mechanisms agreed with HSC Leadership Centre and with business links, on-going to March 2018. <p>Responsibility: Director of Human Resources & Corporate Services (in conjunction with Head of HSC Leadership Centre)</p>

<p>27. Achieve the corporate attendance management targets as set by DoH (to be confirmed).</p>	<ul style="list-style-type: none"> • DoH¹ absence target achieved by March 2018. <p>Responsibility: Senior Management Team (Director of Human Resources & Corporate Services to co-ordinate)</p>
<p>28. Continue to deliver the Disability Work Placement Scheme facilitated by BSO and HSCB on behalf of regional HSC organisations.</p>	<ul style="list-style-type: none"> • Evaluate operation of 2017-18 Scheme and identify key learning points by end of September 2017; • Implement improvements for 2018-19 Scheme by March 2018. <p>Responsibility: Director of Customer Care & Performance</p>
<p>29. Support the draft Programme for Government Healthier Workplaces initiative.</p>	<ul style="list-style-type: none"> • Health and Wellbeing initiatives planned for 2017-18 include Health Fairs, Global Corporate Challenge and training to Manage Stress in the Workplace (the latter to include consideration of participation in Horizon 2020 research programme) <p>(on-going to March 2018)</p> <p>Responsibility: Director of Human Resources & Corporate Services</p>

¹ Target to be calculated in accordance with DoH guidance when received.

RESOURCING THE PLAN 2017/18

1. Introduction

1.1 This section of the plan sets out the anticipated financial context for 2017-18 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 DoH 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 2017-18 Service Offering which drives the preparation of the Service Level Agreements (SLAs) for 2017-18.

2.3 In preparing the current 2017-18 budgeted income and expenditure position for this document, the outworkings of the 2017-18 draft Service Offering and information on 2017-18 funding allocations from DoH are still under review and therefore certain planning assumptions have had to be made.

- 2.4 Based on these assumptions, the expected income from HSC SLAs is £48.7m. This includes a level of assumed pay and price uplift for 2017-18 and anticipated income in 2017-18 in the region of £12.4m relating to the provision of Shared Services, along with associated system maintenance costs, to HSC organisations.
- 2.5 The BSO also receives funding from DoH in respect of the core services it delivers to both the DoH and other HSC Organisations, for example the HSC pensions service and the Clinical Education Centre (CEC). In early January 2017, the BSO, in response to a request by DoH, submitted planning scenarios around a reduction to core funding of between 2% and 15%. At the time of production of our business plan we have not received any confirmation of our 2017-18 core funding. We have therefore assumed a 2% reduction for the purposes of preparing Table 1. In the event of a larger reduction being imposed, pay and non-pay expenditure budgets will be adjusted accordingly.
- 2.6 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 £2.2m annually.
- 2.7 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£47m, based on 2016-17 expected full year activity. There is no surplus or deficit anticipated in these transactions.
- 2.8 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 £15m in 2017-18, based on 2016-17 anticipated out-turn. Any capital expenditure is funded by way of Capital Resource Limit (CRL) funding from DoH and this varies depending on Departmental priorities. Funding for 2016-17 was around £8m.

2.9 In addition, the BSO administers expenditure on (Non-Core) Services on behalf of the DoH such as Nursing Bursaries and Healthy Start programme expenditure. This expenditure is funded by way of RRL funding and is in the region of £10m per annum. BSO also administers expenditure for other organisations of £4.6m, which is also recharged in full.

3. Expenditure

3.1 This section deals with the projected expenditure in 2017-18. Assumptions around overall cash releasing efficiencies 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 2017.

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 DoH 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 2017-18 is shown in Table 1, overleaf.

4.2 It should be noted that these figures do not reflect any extension of the services of BSO, as these will be negotiated separately with customers and built into the SLAs.

TABLE 1 – BSO Budgeted Income and Expenditure Position 2017-18

	Core Services	Non Core Services	BSO Total
	£'000	£'000	£'000
Income Sources:			
Management fees / SLAs	48,706		48,706
RRL- core services	9,263		9,263
RRL - non core services		17,960	17,960
Other Income	2,233	4,664	6,897
ITS programme		15,000	15,000
PaLs Trading		47,000	47,000
Total Income	60,202	84,624	144,826
Expenditure:			
Pay and non-pay budgets	60,202		60,202
Administered expenditure		84,624	84,624
Total Expenditure	60,202	84,624	144,826
Surplus / (Deficit)	0	0	0

5. Conclusion

- 5.1 The resultant position is an anticipated breakeven position for 2017-18 based on assumptions made regarding the levels of income, expenditure and ability to deliver the assumed efficiencies in the year ahead.