

**NORTHERN IRELAND CENTRAL SERVICES AGENCY FOR THE
HEALTH AND SOCIAL SERVICE**

Minutes of Proceedings

The 77th meeting of the Agency Board was held on Friday 8 September 2006 at 10.30 am in the Boardroom, CSA Headquarters, 2 Franklin Street, Belfast.

Present

Professor Sean Fulton (Chairman)

Sean Mahon
Hilary McCartan

Stephen Hodkinson
Cathal Hughes
Teresa Molloy
David Moore
Paula Sheils

In Attendance

Amanda Mills
Colin Sullivan for Item 7.
Alphy Maginness for Item 10.

1. **Apologies**

Apologies for absence were received from John Campbell, Geraldine Fahy and Ivan Jackson.

2. **Chairman's Business**

Professor Fulton informed members that the Department had postponed the Agency's Accountability Review meeting scheduled for 7 September. It is hoped that this meeting will be rearranged in the near future.

3. **Minutes**

(i) **Minutes of Agency Board meeting held on 20 June 2006**

The minutes of the Agency Board meeting held on 20 June 2006 were considered as a true and accurate record of proceedings and were duly signed by the Chairman.

4. **Matters Arising from Minutes**

There were no matters arising.

5. **Action Sheet arising from Agency Board meeting held on 20 June 2006**

The actions arising from the Agency Board meeting held on 20 June 2006 were reported.

6. **Financial Statement for Period Ended 31 July 2006**

Cathal Hughes advised that the financial statement for the period ending 31 July 2006 showed a deficit figure of £500,000. Sean Mahon enquired why there was an expenditure figure of approx £13,000 against Printing, Stationery and Advertising in Nicare's financial statement when Nicare's operations were transferred out of the Agency from 1 April 2006. Cathal Hughes agreed to investigate this matter and report his findings to members. It was noted that, as recommended in the Deloitte Report, all financial information will be produced centrally and that the Director of Finance has the sole responsibility for the reporting on all financial matters.

(ii) **Audit of Accounts for 2005/2006**

Cathal Hughes briefed members on his recent meeting with the external auditors where it was generally noted that the Agency has made significant progress. A number of issues were highlighted by the auditors which need to be addressed, particularly the accounting issues relating to Fixed Assets and the accounting treatment in respect of the reverse premium at Lissue. KPMG will present a status report to the Audit Committee on 21 September 2006. It is envisaged that the Accounts will be completed by the end of November for 2004/2005.

7. **Financial Recovery Plan for 2006/2007**

Mr Hodkinson presented a first draft of the Agency's Financial Recovery Plan which outlined measures on how the Agency proposes to increase its income and to reduce its expenditure. Professor Fulton advised that he had discussed this matter with John Campbell earlier in the week and he and Mr Hodkinson had met with Ivan Jackson and Geraldine Fahy on 7 September. A paper setting out proposed amendments suggested at the meeting was circulated to members. It was agreed that an Action Plan should be included at the end of the Recovery Plan and also an additional section be inserted on actions required if the Agency is unable to secure additional income. The deadline for submission of the Plan to the Department is Friday 15 September 2006 and thereafter Mr Hodkinson will arrange to meet with the Department's Director of Finance to take her through the document. Hilary McCartan on behalf of members commended the Agency on the comprehensive work done on the Recovery Plan

8. **Accountability Review with the Department for 2005/2006**

As advised by Professor Fulton at the commencement of the meeting, the Accountability Review meeting was postponed.

9. **Review of Public Administration – Update on Current Issues**

Mr Hodkinson reported on his and Professor Fulton's meeting with Mr David Sissling, Chief Executive Designate of the new Health Authority on 22 August 2006. At the meeting Mr Sissling outlined the roles and responsibilities of the Authority and listed the services he and his colleagues will be managing within the wider HPSS. It would appear that Mr Sissling hopes to transfer with minimum change those services for which he will assume responsibility. He accepted that the Agency was unique in that its functions are being distributed and that a key principle in the HR Framework is to ensure that all CSA staff have a new employer. At the meeting he sought confirmation that the Agency's services were geographically "self-contained" within the Franklin Street premises, and Mr Hodkinson briefed him on the distribution of services, particularly with regard to RSS locations. Mr Sissling is scheduled to visit the Agency and some directorates (FPS, CFU, RSS and R&D) on the morning of 25 October 2006.

10. **Provision of Legal Services**

Alphy Maginess joined the meeting at this stage to brief members on the recent events which have resulted in the closure of the Agency's main competitor for provision of legal services to the HPSS. The consequence of this occurrence is that a number of Trusts have already approached the Agency and requested that the Directorate of Legal Services assume responsibility for a range of case files on a permanent basis. It is envisaged that the Directorate will need to recruit additional solicitors and administrative staff to support the additional workload and will subsequently need additional accommodation. It was recognised that the restructuring of the HPSS into 5 main Trusts from 1 April 2007 would inevitably change the customer interfaces in any case, and that the DHSSPS competitive tendering exercise for provision of legal services to the HPSS is still scheduled to take place in the New Year. Recent correspondence from the Permanent Secretary to Chief Executives of Trusts was circulated to members concerning a group of solicitors who were formally employed by the Agency's main competitor and who now propose to establish a new legal practice. In the letter circulated to members, the Permanent Secretary advised HPSS Chief Executives that there was no impediment in law or procurement practice which could preclude use of this new firm, should they judge that the use of this firm would be in the best interest of their clients.

Professor Fulton agreed, for clarity purposes, to write to the Permanent Secretary asking for a definitive plan and timetable as to when the competitive tendering process will begin. Teresa Molloy registered her concern regarding the statement made by the Permanent Secretary in his letter in respect of the procurement processes and the use of the new firm. She agreed that she would provide separate advice to the Chief Executive on this matter.

11. **Senior Executive Contract**

Mr Hodkinson advised that following the last meeting of the Remuneration and Human Resources Committee in July it was agreed that the Agency should write to the Department registering its concerns about the performance banding definitions set out in Circular HSS (SM) 1/2003 and request that a comprehensive review be undertaken of the said bandings. It was noted however that in light of the forthcoming changes in the HPSS over the next two years it was not likely to be a productive exercise. Members therefore agreed to take no further action on the matter in the circumstances.

12. **Annual Review of Progress to the Equality Commission for 2005/2006 on the Implementation of the Equality and Good Relations Duties under Section 75 of the NI Act 1998.**

Members considered and approved the Agency's Annual Review of Progress to the Equality Commission for 2005/2006 on the Implementation of the Equality and Good Relations Duties as required by Section 75 of the NI Act 1998.

13. **Remuneration and Human Resources Committee**

(i) **Minutes of Meeting held on 21 February 2006**

The Committee considered and approved the minutes of the Remuneration and Human Resources Committee held on 21 February 2006.

14. **Any Other Business**

(i) **Capital Expenditure**

Correspondence from Paul Simpson was tabled to members advising that the Department have agreed, due to the delayed implementation of the EPES Project, to allocate £40,000 for the Replacement Server for Data Prep. Cathal Hughes reminded members that a capital expenditure bid to purchase this item, subject to further discussions with the contractor and preparation of a final business case, had resulted in a "ring fenced" allocation within the CSA Capital Plan, approved by members in May 2006. As these funds are no longer required, Cathal Hughes requested that funds be used to purchase a vehicle for RSS, subject to receipt of the funds from DIS.

Members endorsed this proposal.

15. **Date of Next Meeting**

The next meeting of the Agency Board will take place on Tuesday 24 October 2006 at 2.00 pm in the Boardroom, Central Services Agency.

Chair

Chief Executive

Date