

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

**CENTRAL SERVICES AGENCY**

The 76<sup>th</sup> meeting of the Agency Board was held at 2.30 pm on Tuesday 20 June 2006 at 2.00 pm in the Conference Room, 5<sup>th</sup> Floor, Down Lisburn Trust, Linenhall Street, Lisburn.

**Present**

Professor Sean Fulton (Chairman)

Geraldine Fahy  
Sean Mahon  
Hilary McCartan

Stephen Hodkinson  
Cathal Hughes  
Teresa Molloy  
David Moore  
Paula Sheils

**In Attendance**

Janine Watterson

**1. Apologies**

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

**2. Chairman's Business**

There was no Chair's Business.

**3. Minutes of the Meeting held on 25 April 2006 – Marked A**

The minutes of the meeting held on 25 April 2006 were approved.

In response to a question from Mrs Fahy, Mr Hodkinson informed the Board that his membership of the NiCo Board would enable him to represent the interests of the Agency's seconded staff as well as advising on HPSS matters (see minute 8(iii)) for as long as he was requested to do so. This membership would be reviewed in March 2008.

**4. Matters Arising from Minutes**

There were no matters arising.

**5. Action Sheet from Agency Board meeting held on 25 April 2006 – Paper 23/2006**

Mr Hodkinson confirmed that items 4 to 6 inclusive had been actioned.

In respect of item 1 Mr Hughes reported that contact had been made with the Department and it was made clear that no additional capital monies were available to the Agency. In respect of item 2 Mr Hughes reported that it was his intention to write a summary for the Final Accounts 2005/06 within the given timetable.

**6. Business Performance and Development Committee**

**(i) Report of Meeting held on 30 May 2006 – Draft Minutes of Meeting – Paper 24/2006**

Members noted the draft minutes of 30 May 2006.

Mr Hodgkinson reported that, subsequent to discussions at the above BPDC meeting, he had now written to the Department setting out Agency comments on the HR Framework document as agreed in paper BPDC 11/2006 at the above meeting. He advised that the RPA office had responded indicating that the HR Framework document, when issued as a consultative document, would contain one of the Agency's key proposals to the effect that HR, Finance and Corporate Services staff would be guaranteed a new employer. While this was an improvement, the document still needed to identify CSA staff as unique in this process.

The Chair commented that he felt that the Department's suggested approach was still not acceptable and that the Agency should again make the case for a clearer commitment being given to all Agency staff.

In conclusion, the Board recognised the challenges ahead in maintaining Agency services particularly with regard to recruitment and retention.

**7. Financial Matters**

**(i) Budgets for 2006/2007 – Paper 25/2006**

Mr Hughes presented the above paper for approval. He advised that he had re-examined the budget paper presented to the last meeting and had eliminated any major issues raised. The revised budget being presented now, he said, was based on the best information available. However, he cautioned that in arriving at the figures broad assumptions had been made in respect of anticipated income during 2006/07 for which there was no guarantee and therefore created an element of risk.

Mr Hughes referred to possible areas where the Agency could consider making savings for example overtime, temporary contracts, non pay costs, storage, services to other organisations which may assist in reducing the deficit.

The Chair thanked Mr Hughes for his useful paper which highlighted the financial difficulties in which the Agency currently finds itself.

A lengthy discussion ensued where members discussed the likelihood of income from the four Boards in respect of Agency services provided on their behalf. Mr Hodkinson advised that the Agency had been informed by Boards, through Sam Snodden of the Eastern Board, that while some funding had been set aside for the Agency, the Boards were not ready to commit to a final figure.

After an extended debate, the Board decided to reject the draft budget for 2006/07 as it was felt that, even with the possible savings referred to by Mr Hughes, it was clear that the substantive savings required could not be achieved in this financial year. In particular, reference was made to the uncertainty of funding required (£500,000) in respect of EPES.

The Board then decided on the following course of action:

- Inform SMT of Budget Paper 25/06 and determine most likely 'worst case' projected deficit outcome as a starting point for Recovery Plan.
- Prepare financial recovery plan including discussions with customers and clients for approval at next BPDC meeting (or special earlier meeting if possible).
- Inform Department of the Agency's decision on the need to develop a Recovery Plan and forward a revised Budget Paper 25/06 for information.

The Board in implementing the above action recognised the new and difficult choices ahead for the Agency in providing services to Boards

#### **8. Management Statement/Financial Memorandum between the DHSS PS and CSA – Paper 26/2006**

Mr Hodkinson presented the above document for approval and explained that a Management Statement/Financial Memorandum was to be issued to all public bodies to assist in defining relationships within the Departments.

Mr Hodkinson referred to section 4.3 and stated that Agency officers were aware of the confusion which may arise in respect of dual monitoring i.e. the Boards and Trusts are already monitoring the Agency under the terms of the service level agreements and the addition of another monitoring arrangement with the Department could cause confusion.

In response to a question from Mrs McCartan, Mr Hodkinson confirmed that the Agency would be inserting key indicators into the corporate plan, although he advised that these were not always easy to define in respect of some Agency directorates.

In response to a suggestion from Mrs Molloy, Mr Hodkinson undertook to include a reference on the financial implications for the Agency in responding to urgent requests from the Department to carry out work.

The Board approved the Management Statement/Financial Memorandum between the DHSS PS and CSA.

**9. Review of Public Administration – Reform and Modernisation Programme**

Mr Hodkinson tabled a discussion document which outlined the current position on RPA and identified matters which were still to be addressed by the Agency.

Members discussed and agreed the action required by the Agency to ensure a smooth transfer of functions on 1 April 2008. During discussions it was recognised that it would be prudent for the Agency to consider how Finance, Human Resources and Corporate staff could be assigned to the main functions in order to ensure a smooth transfer to new employers.

Mrs Molloy advised the Board that during her annual briefing to staff she had become aware of confusion amongst staff that existed regarding this issue and questioned if there was sufficient communication to staff on RPA. The Chair offered to attend any staff talks which the Chief Executive felt may prove helpful in taking this forward.

**10. Whistle Blowing Policy – Paper 27/2006**

The Board approved the Whistle Blowing Policy subject to the following minor amendments.

- In Para 2, page 2 the word ‘Notice’ should be replaced with ‘Policy’.
- In Para 4.1, bullet point 3 the words ‘in good faith’ should be moved to ensure that it applies to all cases.

Mrs Fahy requested that as the document was an extensive guide the Agency should explore the possibility of creating a flowchart to ensure that the process is kept simple for those staff who may wish to navigate their way through it.

This Whistle Blowing Policy is to be endorsed by the Audit Committee at its next meeting.

**11. Fraud Response Policy and Plan – Paper 28/2006 refers**

The Board approved the Fraud Response Policy and Plan subject to the following minor amendments:

- In Section 4 at the beginning of the 3<sup>rd</sup> paragraph the word “use” to be replaced by “deliberate use”.
- In Section 5 a new bullet point after the fourth to read “Screening of Contractors”.
- The 3<sup>rd</sup> paragraph in Section 6 should be inserted at 7.2.6 to replace the existing paragraph.
- Add reference to DAO letters in Section 8.

The Policy is to be endorsed by the Audit Committee at its next meeting.

**12. Audit Committee**

**(i) Minutes of Meeting held on 25 April 2006 refers – Paper 29/2006**

The Audit Committee minutes of 25 April 2006 were approved.

In response to a request from Mrs Fahy, Mr Hughes agreed to bring to the next Board meeting the definition of the levels of assurances used by BMC Management Centre in carrying out their Internal Audit work.

**(ii) Revised Terms of Reference for Audit Committee – Paper 30/2006 refers**

The Revised Terms of Reference for the Agency's Audit Committee were approved. The Agency undertook to note on the document the date that Board approval was given. Mr Hughes undertook to arrange for the Agency's Standing Orders to be amended accordingly.

**(iii) NIAO Report on HPSS Accounts for 2003/2004 and 2004/2005 – Paper 31/2006**

The Board noted the Agency's comments on the NIAO Report referred to above.

Mr Hodkinson reported that he would arrange for an updated statement, which should be used in the event of any media interest received in respect of the Agency's Final Accounts. The Statement would be circulated to the Board/SMT if required.

**13. Declaration and Register of Interests – Paper 32/2006**

The Board noted the Declaration of Interest Register held by the Agency and indicated that some revisions were necessary. Mr Hodkinson undertook to arrange for members to be issued with new forms so that the necessary amendments could be made.

**14. Any Other Business**

**Accounting for Roll Cages**

The Board approved a proposal tabled by Mr Hughes to pay the sum of £925,451 out of creditors, and charge the difference of £22,228 to the 2005/06 Income and Expenditure Account.

Mrs McCartan suggested that prior to implementing the above proposal the Agency explore the possibility of offsetting any monies owed against any interindebtedness outstanding. Mr Hughes agreed to examine the possibility.

**Accommodation**

The Board noted that from 1 July 2005, 27 – 37 Adelaide Street was no longer an asset of the Agency. As a consequence the building would be removed from the Agency's asset register by way of disposal and Balance Sheet in the 2005/06 financial year. The Agency will be notified formally of this situation by the Department.

**15. Date of Next Meeting**

The date of the next Board meeting was noted as Tuesday 29 August 2006, Boardroom, Central Services Agency, 2 Franklin Street, Belfast

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Chairman

\_\_\_\_\_  
Chief Executive

Date \_\_\_\_\_