

**MINUTES OF THE OFMDFM DEPARTMENTAL BOARD MEETING
ON 1 NOVEMBER 2007**

- PRESENT:** John McMillen (Chair), Mary Bunting,
Frank Cushnahan, Rosalie Flanagan,
Jackie Kerr, Deirdre Kenny and Paul Priestly.
- IN ATTENDANCE:** Mark Higgins (Secretary).
- APOLOGIES:** George Gray, Stephen Grimason, Nigel Hamilton and
Cynthia Smith.

Minutes of Last Meeting

1. The minutes of the meeting held on 4 October 2007 were agreed as amended.

Matters Arising

2. Outstanding action points arising from previous meetings were discussed and amendments agreed. An updated action points table would be completed and issued with the draft minutes of the 1 November 2007 meeting. **Action: Board Secretary.**

CURRENT CONTEXT

Executive Business

3. John McMillen paid tribute on behalf of the Board to OFMDFM staff involved in input to the draft Programme for Government, Budget 2007 and Investment Strategy NI 2008-218 documents which were agreed by the Executive on 23 October and presented to the Assembly on 25 October.

4. Rosalie Flanagan provided an update on the work of the Executive and advised that a programme of weekly Departmental Priority meetings involving relevant Directors, Private Office officials and special advisers had been arranged. Directors input to that programme by providing the Departmental Assembly Liaison Officer (DALO) with their directorate's key priorities and a schedule of material was being developed.

Freedom of Information (FOI)

5. The Board noted a quarterly report compiled by the Departmental Information Officer, Ciaran Murphy, which highlighted the key aspects of FOI. The report detailed the Department's performance in delivering its statutory obligations, including a statistical breakdown of FOI requests received during the calendar years, 2005, 2006 and the first 9 months of 2007. Deirdre Kenny advised that the report highlighted a significant increase in the number and complexity of FOI requests received by the Department since May 2007.

Strategic Planning

6. The Board discussed a paper tabled by John McMillen which he and Paul Priestly had prepared on a proposed series of planning and communication events, with the engagement of Ministers to clarify their strategic priorities to inform corporate and business planning for the 2008-09 year. Paul Priestly explained that the Board had already agreed to make use of the Balanced Scorecard in the process and that we also needed to ensure that Minister's priorities were clearly understood by senior officials.

Also staff at all levels within the Department need to be informed of Ministers expectations which would need to be incorporated into the development of business objectives. The Board would take the lead in producing a draft corporate and business plan by January 2008.

7. The Board (a) agreed that the engagement of Ministers was essential in determining their priorities, (b) supported the general approach proposed in John McMillen's paper and outlined above and (c) agreed that a sub-group led by John McMillen would finalise the programme of events and notify members of the detail as soon as possible. **Action: John McMillen.**

Forward Plan

8. Members provided updates to the plan including an annual review of the Corporate Governance Framework and a review of PSA's every 6 months. It was also agreed that the Board secretary should prepare a draft revised forward plan for 2008-09, to include all of the issues for consideration by the Board, including corporate and business planning during January to April 2008. This would be available for the next Board meeting. Deirdre Kenny advised that an item on the Special Bonus Scheme that was scheduled for this meeting would be dealt with by correspondence for members to note.

Operational Plan

9. The Board noted a quarterly report, tabled by Deirdre Kenny, which outlined performance against expected outcomes/outputs in the 2007-08 Operational Plan. Paul Priestly proposed that

there was a need to highlight those areas that required attention by, for example, the use of, "traffic light" facilities within the monitoring framework. It was agreed that this would be taken forward by Corporate Services Division and included in the next version of the monitoring framework. **Action: Deirdre Kenny.**

Resource Planning

10. The Board noted a joint paper from Deirdre Kenny and Jackie Kerr which summarised the current position for workforce planning and the administration budget for 2007-08. The key point from the paper was that the Department was on course to achieve its Fit for Purpose target of 389 full time posts by 31 March 2008.

Financial Reports

11. The Board noted the financial outturn information provided in Jackie Kerr's monthly report to the Board. That report provided the summary financial outturn information at 30 September 2007 including variance analysis and performance to date, a summary of Departmental Reserve levels, an update on October 2007 monitoring round proposals and a summary on prompt payment performance. Formal notification from DFP of the outcome of October monitoring is awaited.
12. A copy of the OFMDFM chapter in the Draft Budget 07 document, the proposed budget allocations, and the Department's Public Service Agreements (PSAs) were also tabled for information. Further information was provided on the Department's spending

- and allocation proposals for the 2008/09 to 2010/11 financial years and a copy of correspondence between the Finance Director and DFP on the follow-up to the Budget 2007 Ministerial Bilateral was also provided for the Board to note.
13. Jackie Kerr explained that the outturn figures continue to be distorted by the quarterly accruals process but the move to the new Oracle based accounting system in December 2007 will end these reporting anomalies as accruals will be captured monthly. However Mrs Kerr explained that the information being provided to the Board, despite its current limitations offers a more reliable assessment of financial performance than would be provided by cash-based data.
 14. Jackie Kerr reported that End of Year Flexibility (EYF) would cease to be available in the future which raised particular difficulties for this Department. She advised that project managers therefore needed to exercise rigorous control over projects.
 15. Mrs Kerr also advised that OFMDFM has a target to deliver £11.1 million of efficiency savings for the 3-year budget period, 2008/09 to 2010/11. She explained that there is the need therefore for a radical review of OFMDFM's efficiency proposals in light of Programme for Government and Budget 2007 commitments. It was agreed that a Board sub-group would be established, led by John McMillen and include, initially, Paul Priestly, Jackie Kerr and Cynthia Smith to develop a revised package of efficiency measures. No areas of the Department

would be exempt from consideration.. The efficiency sub-group would report to the next Board meeting on 29 November.

Action: John McMillen.

16. The Board discussed DFP's proposed transfer of administration cost baselines to fund the NICS Reform programme. Frank Cushnahan advised that if there was a disproportionate charge being applied to OFMDFM to meet centralised costs associated with the reform programme that should be rigorously challenged. Jackie Kerr advised that this had been raised formally with DFP on a follow-up to the Budget 2007 process and a response was awaited from DFP.
17. The Board noted that OFMDFM will be required to formally submit a proposal to DFP for Restoration funding.
18. The Board noted with concern that prompt payment performance for the month of September was 73% against a target of 95%. Board Members were asked to consider the underlying causes of the problem in relation to their Directorates and to consider measures that can be taken improve performance. Jackie Kerr advised that the introduction of AccountNI should help to improve performance.
19. Jackie Kerr reminded members of a masterclass for senior civil service (SCS) members on effective financial management on 7 November which Nigel Hamilton had recommended as beneficial

and informative and that all SCS members should make every effort to attend.

Managing Attendance

20. Deirdre Kenny tabled a draft submission from Nigel Hamilton to the First Minister and deputy First Minister for the Board's endorsement. The submission provided an update report on managing attendance in the Department for the 2nd quarter covering July, August and September 2007. The report detailed overall absence rates for the NICS and OFMDFM in percentage terms and the main reasons for absence. The report advised that OFMDFM has a lower absence rate than the NICS average but that there would continue to be a sharp focus on managing attendance in the Department. It was agreed to include additional information in the submission on the Department's absence rate target for the year. **Action: Deirdre Kenny.**

HRConnect

21. Due to the absence of some members it was agreed to defer, to the next Board meeting, a paper on the re-organisation of OFMDFM Personnel in preparation for implementation of HRConnect in late 2007.

Business Change Programme

22. The Board noted an updated report which summarised the various priority 1 reform projects within the Business Change Programme. Deirdre Kenny highlighted key issues of the programme including current indications that OFMDFM will move to Workplace 2010 accommodation in block B Castle Buildings in

January 2012. Mrs Kenny also advised that a, "future@work" zone was planned for Castle Buildings reception in the near future to provide staff and visitors with the opportunity to see what future@work might be like and the benefits that reform will bring to the NICS.

23. Deirdre Kenny reported that the go live date for HRConnect release 1.1. (which covers grievance, conduct and personal data) is likely to be 19 November 2007. Mrs Kenny also explained that March 2008 is the target date for the entire Department to be migrated to the RecordsNI managed service.
24. Paul Priestly praised the work done on the email Migration project and stated that the feedback he received found those staff involved in the change-over to be very helpful. It was agreed to issue a note of thanks from the Board to those staff involved in delivering the email Migration project. **Action: John McMillen.**

Departmental Brief

25. The Board approved the November Departmental Brief, subject to additional material from Jackie Kerr on finance matters. The Brief would be issued to Directors to instigate the team briefing process in the Department. **Action: Board Secretary.**

Any Other Business

26. Paul Priestly reported that a short-term capital realisation taskforce (CRT) has been established, involving the Department,

Strategic Investment Board and the Department of Finance and Personnel to identify major assets that may assist in funding the Programme for Government and Investment Strategy.

27. John McMillen advised that Norman Houston would be taking up the post of Director of the Northern Ireland Bureau in Washington in the next week. The current Director, Tim Losty would temporarily fill the Principal Private Secretary post to the First Minister until that recent vacancy was permanently filled.

Review of Board Meeting

28. The meeting agreed that there was a useful detailed discussion on key issues and in particular about finance including Budget 2007 and Programme for Government matters. However members expressed disappointment at the number of apologies received and because of the midday timing for the meeting, several members who were in attendance had to leave because of other commitments. The chair emphasised that Departmental Board meetings are fundamental to good corporate governance and attendance by members should be a very high priority. The chair would issue a minute to members to emphasise that requirement. **Action: John McMillen.**

Date of Next Meeting

29. The next meeting of the Board is scheduled for 10.00 a.m. on Thursday, 29 November 2007 in the Glass House, Stormont Castle.

Mark Higgins

15 November 2007