

**MINUTES OF THE OFMDFM DEPARTMENTAL BOARD MEETING  
ON 24 AUGUST 2006**

- PRESENT:** Nigel Hamilton (Chair), Mary Bunting,  
Frank Cushnahan, Billy Gamble, George Gray,  
Stephen Grimason, Deirdre Kenny, Jackie Kerr and  
John McMillen.
- IN ATTENDANCE:** Mark Higgins (Secretary), Stewart Johnston and  
Gerry O'Neill.
- APOLOGIES:** George Gray, Rosalie Flanagan, and Denis McCartney.

**Minutes of Last Meeting**

1. The minutes of the meeting held on 23 June 2006 were agreed as amended.

**Matters Arising**

2. Matters arising were dealt with under the appropriate agenda item 3 (a) Investors in People.

**CURRENT ISSUES**

**Investors in People (IiP)**

3. Gerry O'Neill, Department of Finance and Personnel (DFP), Delivery and Innovation Division thanked the Board for their invitation to the meeting. He provided advice on the way forward for the Department to achieve IiP accreditation as a single corporate body against a timescale of the end of the year.

4. Mr O'Neill provided an overview of the new IiP standard framework and highlighted a number of key indicators and their associated evidence requirements which were particularly relevant in terms of the involvement of the Departmental Board and senior managers in achieving corporate accreditation of IiP. Those key indicators included strategies for improving the performance of the organisation, the capabilities managers need to lead, manage and develop people, investment in people to improve performance and the improvements which are made to the way that people are managed and developed.
5. The Board noted the challenging timescale to achieve corporate accreditation against the new demanding IiP standard framework. Stewart Johnston emphasised the possible effects of restoration of devolution, or another outcome, for Executive Services Directorate (ESD), on the March 2007 deadline for corporate IiP accreditation. He advised that, in terms of the 24 November 2006 political deadline, ESD's resources would be focused on the immediate tasks created by a devolved Assembly or other arrangements.
6. Mr O'Neill advised that, in addition to his experience as a registered IiP assessor there was a wide range of expertise available to the Department to assist its work in achieving corporate IiP accreditation by March 2007. The Board thanked Mr O'Neill for his invaluable advice and agreed to accept his offer for assistance, for example through a facilitation workshop for the Board and senior managers. It was agreed that Deirdre

Kenny would take that forward with Gerry O'Neill. **Action: Deirdre Kenny.**

### **Capability Reviews**

7. Gerry O'Neill was also invited to provide the Board an update on Capability Reviews, an initiative of the Prime Minister's Delivery Unit (PMDU) which is leading a series of those reviews across Whitehall Departments. Mr O'Neill explained that Capability Review is an assessment mechanism which explicitly examines Leadership, Strategy and Delivery. Three volunteer Departments i.e. the Department of Agriculture and Rural Development (DARD), the Department of Finance and Personnel (DFP) and the Department of Regional Development have been identified as pilots in a programme of corporate level assessment against the Capability Review framework. Mr O'Neill is the project leader for the three pilots, and a Project Board, project teams and a senior responsible officer, Gerry Lavery (DARD) have been appointed and a terms of reference was being developed. The projects will concurrently test the framework against the European Foundation for Quality Management (EFQM) excellence model and the outcome of those pilots is due to be reported by mid-November 2006.
  
8. John Hunter, Permanent Secretary of DFP is providing invaluable feedback to the Project Board through his involvement in the Scottish Executive's initial research work on Capability Reviews in that administration. The Board thanked Mr O'Neill for his input and would take a close interest in the outcomes from the pilot reviews.

### **September 2006 Departmental Board**

9. The meeting discussed the agenda for the 19 September 2006 Board meeting which would be attended by the Minister, David Hanson and chaired by John McMillen, as Mr Hamilton is unable to attend. It was agreed that the meeting should focus on a small number of policy areas and Mr McMillen would develop that further in conjunction with the Minister's office. **Action: John McMillen.**

### **Impact of ASP Timetables on Faster Closing/ OFMDFM Migration to Account NI**

10. Jackie Kerr tabled two minutes she had issued recently, firstly to Ciaran Doran, Department of Finance and Personnel on ASP and faster closing issues and secondly to John Deery, Account NI on her concerns regarding the June 2007 deadline for the implementation of the new accounting arrangements. The Board concurred with those concerns and it was agreed that John McMillen would write to John Hunter, DFP Permanent Secretary to express the Board's concerns and seek a solution to address the key issues regarding the above deadlines. **Action: John McMillen.**

### **Sustainable Development**

11. John McMillen provided an update on Sustainable Development and explained that responsibility for Sustainable Development policy had transferred from the Department of the Environment to OFMDFM to bring it closer to underpin policy commitments. Mr Hamilton advised that the transfer of functions also provided an

- important signal that Sustainable Development goes beyond environmental issues. All Departments are required to work up contributions to an overall implementation plan for publication in the autumn, 2006. This will show how, across their policy range and remit, Departments are and will comply with strategic Sustainable Development objectives and targets. Separate but directly linked, "green housekeeping" action plans built largely around estate management and procurement are also in hand.
12. He added that, in common with all other Departments, OFMDFM has a Sustainable Development Champion, Alan Maitland, a waste management action plan which was published in April 2006 and has in place good house keeping practices. Written guidance is currently being produced by DEFRA which would be disseminated to business areas by the department's champion and the Sustainable Development Unit. The Ministry of Defence are also taking the lead in developing plans and the outcome of that work would also be circulated to departments for dissemination.

## **STANDING ITEMS**

### **Assembly Issues**

13. Stewart Johnston, deputising for Rosalie Flanagan, provided a brief summary of recent proceedings in the Assembly. He explained that the 2006 Assembly is in Summer recess and its Preparation for Government Committee (PFGC) has, however, continued to meet, with constructive cross-party participation, as has its sub-group set up to consider the economic challenges facing Northern Ireland. That sub-group was tasked with

producing a report to the main PfGC by 18 August 2006. The other blocks of work being taken forward relate to changes to the institutions and the devolution of policing and justice.

14. It is hoped that the PfGC's output will go in due course to the Business Committee which will in turn be able to agree plenary discussions in the Assembly. The Assembly was due to return on 4 September but the Secretary of State has since agreed to defer that by a week to allow the various Committees to complete their work on time.

#### **Forward Plan**

15. The Forward Plan was noted in the context of the Board's discussions about its September meeting. It was also agreed to add material to the Plan from a table produced by Machinery of Government Division, entitled, "Forward Look" which listed key Ministerial events and actions for the forthcoming six months.

#### **Resource Planning**

16. Deirdre Kenny and Jackie Kerr tabled a combined HR/Financial Analysis paper, incorporating Workforce Planning updates at August 2006 and outlining pressures, current vacancies and the financial position for Administration Cost reserves and bids. The Board discussed the paper in detail in conjunction with the Financial Reports on July 2006 outturn, June monitoring, Reserves, October monitoring and bids tabled by Jackie Kerr.

17. The Board noted the key issues and concerns identified in the Resource Planning paper and financial reports, particularly regarding management of the Administrative Budget and specifically the filling of current vacancies, potential underspends, the impact of the efficiency targets outlined in the forthcoming Comprehensive Spending Review 2007 and budget planning in the event of a restoration of a devolved administration. It was agreed that Mr Hamilton, Mr McMillen, Mrs Kerr and Mrs Kenny would meet shortly to address those issues and give further consideration to the management of the Administration Cost, headcount and staffing pressures within the Department

### **Finance**

18. Jackie Kerr tabled a financial report that summarised outturn information for the year up to and including July 2006 and an analysis based on provisional outturn information with comparisons made against Budget Holders profiled budgets for administration and resource costs. She explained that resource based (accruals) management reports will be provided to the Board on a quarterly basis and that a report showing outturn against budget for capital spend has been added to the Board's monthly finance pack.
19. The Board discussed resource variance against profiled budget, potential underspend and the Department's performance in the management of capital. Mrs Kerr advised that Finance Division will be speaking to Budget Holders in relation to budget and

financial management processes and their performance and to ensure that reporting structures are useful and meaningful before the Department migrates to the new Account NI systems in June 2007.

20. The Board noted the successful and unsuccessful bids in respect of the outcome of the June 2006 monitoring and the Ministers criticism of the quality of financial management in Departments, in light of the level of year end underspend in the 2005-06 financial year. In response, DFP has commissioned consultants to undertake a review of financial management arrangements in Departments, and is separately undertaking a review of how monitoring rounds are conducted.
  
- 21 Mrs Kerr's paper also detailed administration cost and resource reserves and sought Board approval to operate a threshold for the management of additional pressures, administration or resource, from within allocated budgets and without recourse to the Finance Division, or DFP for additional provision. The Board approved the threshold and noted that its operation may require Budget Holders to reprioritise tasks or activities to address the pressure being encountered. As stated in paragraph 17 above a meeting would be arranged shortly to discuss the key issues identified in the financial report tabled by Jackie Kerr.

**NIAO Memorandum of Matters Arising: Schedule of Actions**

22. Jackie Kerr reported that the schedule was on target for completion.

**Fraud**

23. Jackie Kerr advised that there were no current issues to report.

**Freedom of Information (FOI)**

24. Deirdre Kenny tabled a detailed report on FOI requests received from 1 January 2005 to 18 August 2006 which demonstrated that the Department continued to perform well and meet FOI standards in responding to requests. Deirdre Kenny advised that she would provide a further report for the November 2006 Board meeting. **Action: Deirdre Kenny.**

**Managing Attendance**

25. Deirdre Kenny provided a report on NICS attendance figures for the 2005/06 year which showed that the absence rate in OFMDFM has been consistently one of the lowest absence rates in the rest of the NICS over the reporting period. A quarterly report would be provided for the October 2006 Board meeting. **Action: Deirdre Kenny**

**Internal Audit Review of Corporate Governance**

26. The Board discussed a recent Internal Audit review of corporate governance in OFMDFM and noted that management had

responded positively to all of the recommendations which had been actioned or were currently being addressed.

27. In that context Deidre Kenny tabled a submission on an updated "Corporate Governance Arrangements" document. The Board endorsed the revised document, subject to any comments from Board members (to be with Deirdre by 1<sup>st</sup> September) and approved the use of a standard format for future submissions to the Board. It was agreed that the recommendations of the Internal Audit review should be tabled at the next meeting of the Audit Committee. **Action: Departmental Board Secretary.**

#### **Public Accounts Committee (PAC) Report: Delivering high quality public services**

28. The Board discussed a recent minute from Ciaran Doran, DFP which highlighted the 'ten steps to a successful and high quality service' and examples of good practice identified by the PAC. The Board noted that, in future hearings the Committee will, "...consider the service provided by a public body against that criteria".

#### **Annual Report to the Equality Commission**

29. Billy Gamble submitted the above draft report and invited the Board to comment on the content of the draft on implementation of the equality and good relations duties (under Section 75 of the Northern Ireland Act 1998) The Board noted that good progress continues to be made on the implementation of all aspects of the Department's Equality Scheme with equality and

good relations considerations mainstreamed into policy development across the Department. Earlier in the year the Board agreed the report on the review of the Department's Equality Scheme, which examined the twelve original areas of the equality scheme, focusing on what worked and what did not work, and identified lessons learnt. This work and the report were commended by the Commission.

30. The Board agreed that, subject to any further input from Departmental colleagues, the report will be forwarded to Minister for information before submission to the Equality Commission by 31 August 2006.

#### **Draft European Strategy**

31. John McMillen thanked members for their comments to a draft "Taking Our Place in Europe" strategy which he had circulated previously to members. It was agreed that John McMillen would seek further advice before a final decision was taken in moving forward with the strategy.

#### **August Departmental Brief**

32. The Board approved the August 2006 Departmental Brief, with some minor amendments, for issue to Directors to initiate the team briefing process within the Department.

**ANY OTHER BUSINESS**

**2006 Christmas Cards**

33. Nigel Hamilton proposed that Stepping Stones, a Lisburn based charity for people with learning disabilities would be the chosen charity for the 2006 Christmas card, and that the official OFMDFM card should issue only from Mr Hamilton as Head of OFMDFM. The Board agreed with that proposal and Central Management Unit will make the necessary arrangements with the Stepping Stones charity. **Action: Central Management Unit**

**Date of Next Meeting**

34. The next meeting was scheduled for 9.00 a.m. on Tuesday 19 September 2006 in Room GD20 Stormont Castle.

Mark Higgins

25.8.06