

Department for Employment and Learning
Senior Management Team Meeting
Thursday 24 June 2010
Boardroom, Adelaide House

Present: Andrew Hamilton (Chair)
Catherine Bell
John Baird
Patricia McAuley
June Ingram
Fergus Devitt
Trevor Connolly
Nuala Kerr
Michael Gould
Lucy Marten
Richard Kenny

Apologies: Beverley Harrison
Mary McIvor

In Attendance: Raymond Kelly (Minutes)

1. Minutes and Summary Action Sheet from SMT Meeting, 29 April 2010

- 1.1 The minutes of the previous meeting were agreed.
- 1.2 Mrs. McAuley raised her concern at changes made to the Workforce Planning Procedures paper after SMT had signed off. Mr. Hamilton agreed that in future no substantive changes would be made to SMT papers once they had been agreed, but a degree of flexibility for changes at the margins

would be retained. It was agreed that the Workforce Planning paper would be re-issued with the agreed SMT amendment to “budget cover”.

- 1.3 Mr. Connolly gave an update on progress around the staffing budgets. HRConnect are only contractually obliged to provide the “Gross to Net” report, which will require a manual exercise to break down by Grade and Cost Centre. Some further work was being undertaken to see if a solution could be identified.

Action: Ms Harrison to re-issue Workforce Planning paper with agreed amendment

Action: Mr. Connolly/ Ms. Harrison to consider whether it is possible to produce more meaningful staffing budget/monitoring reports.

2. Sustainable Energy: Maximising the Economic Opportunities for Northern Ireland Through Effective Skills Support

- 2.1 Mr. Gould set out the Department’s current support for skills development associated with the Sustainable Energy sector. He highlighted the increased economic opportunities and the different projects currently being funded across the Department.
- 2.2 Mr. Gould continued to say that while the Department has made significant progress in terms of establishing structures to support the skills needs of the renewable energy sector, Northern Ireland lacks a Skills action plan similar to that in England. Also, while the Department funds a range of sustainable energy skills projects, there is no agreed policy framework.
- 2.3 Mr. Gould recommended that the Senior Management Team agree a policy lead by one Division, to co-ordinate actions across the Department and develop a formal DEL approach. This would involve the establishment of an internal policy makers group, with an external group formed later down the line. Mr. Gould confirmed that this could be done within existing resources.
- 2.4 SMT agreed to the recommendation in the paper.

Action: Mrs. Kerr to take the lead and establish an internal policy makers group.

3. Budget 2010 and 2010/11 Reductions

- 3.1 Mr. Connolly began by stating that the bidding process for Budget 2010 was back to square one, as DFP have moved from a 3 year CSR period to a 4 year period. All bids will need to be resubmitted with this taken into account.
- 3.2 DEL must submit all spending proposals to DFP by 30 July and all savings proposals by 26 August. As this involves SMT/Board/Committee consultation the timescale is incredibly tight.
- 3.3 DFP have projected the impact of the Budget as a 2.7% reduction per annum (Flat cash projection for next 4 years) for current and a 9% cut in capital per annum. At this point the Barnett calculations are unknown so the exact detail is vague.
- 3.4 Discussion moved on to how realistic the Department should be when bidding for additional funds, with Mr. Connolly stating a preference for there to be fewer but better thought out bids. Mr. Connolly drew attention to removal of the Fund for Innovation which will have a further impact from 2011/12.
- 3.5 Mrs. McAuley highlighted that DWP use Annually Managed Expenditure (AME) which would be of benefit to DEL, while also pointing out that change to the Welfare to Work and Benefit System in the U.K. could result in savings or additional bids, but this will not be known for 3 months.
- 3.6 Discussion then moved to 2010/11 reductions. Mr. Connolly provided information about DEL's share of the reductions which currently stands at £5.8m (out of a total N.I. reduction of £127m).
- 3.7 Furthermore, Mr. Connolly pointed out that in the June monitoring round DEL had no bids accepted (DETI, DARD, DOE, OFMDFM, DFP, DHSSPS and DSD did). The implications were that to the extent that the bids

remained unmet they must be funded internally. However, no action was being taken on that point until the position is clarified.

- 3.8 The Senior Management Team then debated the various proposals submitted by directors. It was recognised some were more difficult than others to implement.
- 3.9 Mrs. McAuley noted that the Employment Service could potentially offer £1m in savings while Mrs. Kerr could save between £2.5m and £3.0m through reductions in various programmes, although Ministerial commitment may prevent some of these. Mrs. Ingram was able to offer a saving of £0.3m, and it was agreed that Mr. Kenny and Mr. Devitt would identify options which would potentially provide £1m worth of savings in each of the HE and FE programmes.
- 3.10 Mrs. McAuley noted that planned changes to the JSA regime will mean an increased number of clients. Mr. Hamilton asked if it was possible to get projections of cost, which Mrs. McAuley agreed to do and include in bids.
- 3.11 Mr. Hamilton raised the prospect of making short term in year cuts to meet the £5.8m now, but each Director to consider longer term savings which could be discussed in August. Mr. Connolly agreed to investigate this with DFP to see if it was an option.
- 3.12 There was broad consensus from all members that SMT should hold an emergency meeting to discuss Budget 2010 in the very near future, with Mr. Hamilton to arrange.
- 3.13 This meeting would allow SMT to agree strategic priorities and get consensus before presenting to minister. Mr. Hamilton wants all options to be considered, with a robust defence of areas which cannot be cut, and arguments prepared for areas which can, and Directors to examine the possibility of reducing services.

Action: Mr. Hamilton to arrange an emergency SMT meeting in the near future to discuss an agreed response to Budget 2010.

Action: All Directors to consider bids for Budget 2010 and bring to emergency meeting.

Action: Mr. Connolly to speak with DFP about possibility of making some in year savings from short term sources in 2010/11, but taking long term from other sources from 2011/12 onwards.

Action: Mrs. McAuley to examine impact of changes to the JSA regime and include in Budget 2010 bids.

4. Any Other Business

4.1 No other Business was discussed.