

**MINUTES OF THE END OF YEAR (Q4) PERFORMANCE MEETING OF  
THE CHIEF OFFICER GROUP HELD ON TUESDAY 24 JUNE 2014 AT 9.00 AM  
IN THE KING ORRY ROOM, CHIEF SECRETARY'S OFFICE, GOVERNMENT OFFICE**

**Present:** Mr W Greenhow, Chief Secretary, Cabinet Office (CSO)  
Mr C Corlett, Chief Executive, Department of Economic Development  
Prof R Barr, Chief Executive, Department of Education and Children  
Mr R Lole, Chief Executive, Department of Environment, Food and Agriculture  
Mr C Kniveton, Acting Chief Executive, Department of Health and Social Care  
Ms P Primrose, Director of Finance and Research, Department of Home Affairs  
Mr N Black, Chief Executive, Department of Infrastructure  
Mr J Callister, Executive Director, Office of Human Resources, CO  
Mr C McGreal, Financial Controller, Treasury

**In attendance** Mr D Davies, Director, Business Change and Reform, CO  
Mr C Hawker, Acting Executive Director, Policy and Strategy, CO  
Ms C Hunter, Head of Communications, CO  
Mrs A Martin, Chief Operating Officer, Attorney General's Chambers  
Ms J D Hetherington, Assistant to the Chief Secretary, CO

**Apologies:** Mr M Kelly, Chief Executive, Department of Home Affairs  
Dr M Couch, Chief Financial Officer, Treasury  
Mr M Lewin, Director, Government Technology Services

**067/14 MINUTES OF THE MEETING OF 10 JUNE 2014**

Having been previously circulated, the Minutes of the meeting of 10 June 2014 were agreed and signed by the Chief Secretary.

**068/14 MATTERS ARISING**

**a) Consultation on 14-16 qualification reform**

Minutes 038/14c) ; 041/14a) ; 050/14a) & 061/14a)

The Chief Executive of the Department of Education and Children advised that his Minister would be making a statement on educational reforms at the July 2014 sitting of Tynwald.

**b) Proposed changes to public transport and parking**

Minute 062/14

The Chief Executive of the Department of Education and Children advised that his Department would be submitting a response to the Department of Infrastructure's public consultation, with particular reference to proposed changes in parking provision for staff.

**069/14 ECONOMIC UPDATE**

**a) Quarterly Report on the Economy to the Council of Ministers**

The Acting Executive Director of Policy and Strategy provided an update on the Quarterly Report on the Economy for the period 1 January 2014 – 31 March 2014.

The Group was advised that although the global economy had not returned to pre-crisis levels of growth and demand, there was a real sense of optimism that most economies were now returning to a period of sustained growth.

It was also noted that the Isle of Man has not experienced the same growth in the housing market as recently seen in the UK and as a result, the risk of a significant drop in house prices was also lower.

The Group noted that a quarterly "Business Barometer" was being developed by the Chamber of Commerce to provide live economic data across a broad range of business sectors. It was noted that over 100 companies had responded to a recent survey, which represented approximately 40% feedback.

It was also noted that the results of the Household Income Expenditure Survey was due to be published and the Annual Earnings Survey was also due to be completed.

## **070/14 VISION 2020 ACTION PLAN**

The Chief Executive of the Department of Economic Development provided an update on the Vision 2020 action plan. The Group noted that significant efforts had been made to retain a number of businesses on-Island, which had helped to preserve approximately 60 jobs. It was also noted that emerging sectors (e.g. e-business) were performing well and established sectors (e.g. tourism and engineering) were enjoying a period of growth.

The Group discussed the medium to long term prospects for engineering businesses on the Island, and the work which was underway with the Department of Education and Children to develop on-island training and development for engineers.

It was noted that an action plan had been drafted for Departments which would promote corporate working practices to support economic growth. Following a detailed discussion it was agreed that in order to enable Government to fully support economic growth, there needed to be open and constructive dialogue between Departments to gain a clearer understanding on all key matters which could either enhance or restrict progress.

## **071/14 FINANCIAL PERFORMANCE**

### **a) Year-End Financial Report**

The Chief Financial Officer briefed the Group on the Year-End Financial Report, which included an overview of general revenue; capital; external investments and internal reserves. The Group noted that the Report had been presented to the Council of Ministers in May 2014.

The Group noted that pay awards, with the exception of the (former) Department of Health, had been met within current budgets as determined by the Council of Ministers and no additional funding had been made available from the Treasury. Following discussion, it was agreed that Chief Officers should work collaboratively in future in order to ensure that all Departments operate within required budgetary constraints. It was also agreed that staff pay negotiations should be progressed as quickly as possible, in order to allow Departments sufficient time to adapt to meeting any associated costs.

The Group considered the significant challenge of diminishing internal reserves, which, to date, had not been fully articulated to the public. Following discussion, it was agreed that a clear, open message should be communicated to the public, which provided a realistic reflection of Government funding in relation to that of the wider economy.

## **b) Budget reduction proposals**

The Group discussed ongoing issues with the Government's Axapta system, which was causing significant problems for all Department in terms of budgeting; financial planning and projected cost savings. It was agreed that these issues should be addressed as a matter of urgency.

## **072/14 OHR PERFORMANCE**

### **a) HR Management Information Report**

The Executive Director, Office of Human Resources briefed the Group on the HR Management Report ending 31 March 2014.

The Group noted that overall the Government is 123.54 FTE under its total personnel budget target for 2013-14. In addition, it was noted that Government was progressing well to meet its total personnel budget target for 2014-15 of 7,957.87. As at the 31 March 2014, the total number of posts was 7,985.62 and it was expected that further reductions during 2014-15 would be achieved for the target to be met.

The Group noted that during 2013-14, there had been 924 appointments made. It was also noted that due to the number of leavers exceeding the number of external appointments, there had been a net loss of 244 employees. The Group noted that this turnover was helpful, as it supported a process to review employment conditions and the introduction of sustainable reforms.

In terms of managing sickness absence, the Group noted a year on year reduction in absenteeism over the previous two years, which represented a financial saving of £2.4m. The Group noted a number of initiatives which had contributed to the reductions, which included:

- Awareness-raising sessions for managers (e.g. supporting staff with mental health issues; understanding the Bradford Factor; dealing with capability issues);
- Promoting individual responsibility for absence (e.g. Self-Care at work courses; resilience training; self-referral to physiotherapy services);
- Identifying solutions for staff on long term sick leave; and
- Development and communication of health and wellbeing programmes

In terms of corporate absence statistics, the Group noted that 72% of the Isle of Man Government workforce had no sickness absence during the year, which was an improvement on 2012/13 when the figure was reported as 57%. However, the Group also noted that civil service absence statistics showed that 44% of staff had no absence compared to 39% in 2012/13. It was noted that although the overall annual trend was encouraging, more civil servants had time off work with ill-health compared to staff across the whole of Government.

## **073/14 PERFORMANCE MANAGEMENT**

The Group noted an update on Departmental performance management and exception reports. It was noted that exception reports were provided for underperforming objectives and were submitted with explanations and intervention plans. The Group acknowledged that these reports helped to raise the profile of significant issues and challenges faced by Departments, thereby facilitating corporate working practices.

The Group noted that by the end of 2013-14, 11 corporate objectives (out of 71) had been completed. Exception reports were noted for 6 objectives and for 1 outcome-based objective which was trending negatively.

It was also noted that as the performance management system had been operational for 12 months, a review of the objectives as part of a wider review of the Agenda for Change programme would provide an opportunity to consider the development of a "top ten" priority list of targets which could underpin corporate objectives as part of a wider national debate on future policy options.

#### **074/14 LEGISLATIVE PROGRAMME**

The Group received an update on the Legislative Programme and noted that it contained a list of 14 priority Bills.

The Group considered the Legislative Programme in detail and noted that there were a number of Departmental Bills which were not included on the list. Following discussion, it was agreed that any such Bills would be reported back to the Secretary to the Council of Ministers as soon as possible, and that the Legislative Programme would continue to be monitored by the Chief Officer Group every quarter.

#### **075/14 TYNWALD POLICY DECISIONS REPORT**

The Group considered an update on the Tynwald Policy Decisions Report.

The Group considered the number and age profile of outstanding actions, which included Tynwald decisions up to May 2014. It was noted that the report had been moved onto a SharePoint site (a shared electronic database) to facilitate cross-Departmental reporting and provide up-to-date management information for Government.

Following discussion, it was agreed that the Group would continue to review the reports on a quarterly basis. It was also agreed that detailed explanations for all outstanding actions (including those Tynwald policy decisions which would not be progressed) should be incorporated into a single document for submission to Tynwald.

#### **076/14 GOVERNMENT TECHNOLOGY SERVICES**

The Group considered two reports submitted by the Director of Government Technology Services ("GTS").

##### **a) Performance report**

The Group noted the operational service levels achieved by GTS, which included the introduction of extended 24x7 on-call technical support for the Department of Home Affairs and the Department of Health and Social Care.

It was also noted that GTS was gathering customer service feedback, by giving individuals the opportunity to rate the service when a call had been closed. The Group noted that this data-gathering allowed GTS to calculate a Customer Service Index ("CSI") which is a UK national measure of customer satisfaction. It was noted that results for March 2014 showed that GTS had a CSI score of 90%.

In terms of change management, the Group noted that there were 57 projects under GTS governance. It was also noted that an exercise to consolidate all commitments into a single reporting methodology was underway.

#### **b) Savings report**

The Group noted that GTS remained confident of its ability to deliver a target of £750K savings on its consolidated budgets by 31 March 2015, subject to risks including under-allocation on budget transfers and unexpected commitments (e.g. movement of internal datacentre to external provider).

### **077/14 DEPARTMENTAL PERFORMANCE REPORTS**

The Group considered Departmental performance updates, which were submitted via a standardised reporting template. The reports included: level of savings expected; level of savings achieved; financial pressures and challenges; risks and Departmental issues.

Reports were received and considered from the following Departments:

- Education and Children;
- Economic Development;
- Environment, Food and Agriculture;
- Home Affairs;
- Infrastructure;
- Treasury

Each Departmental report was presented by the Chief Executive (or Deputy in attendance) and it was noted that each Department had its own unique set of economic and operational challenges.

### **078/14 SCOPE**

The Director of Change and Reform and the Acting Chief Executive of the Department of Health and Social Care provided an update on the Scope of Government programme and the progress of Shared Services initiatives.

The Group noted that the introduction of the upgraded Medway IT system would significantly enhance current hospital patient administration processes. It was further noted that this upgrade would form a major part of a broader range of future projects designed to reduce risk to patient safety, improve efficiency and enhance working practices within Noble's Hospital.

The Group also noted that significant practical improvements (e.g. via revised purchasing arrangements) and financial savings were already being realised following the introduction of shared services within the Government's catering operations.

### **079/14 COMMUNICATIONS GRID**

The Group noted the content of the Communications Grid for June 2014, which included leading Isle of Man Government news in addition to relevant UK and EU announcements. The Head of Communications expressed her thanks to Departmental Chief Executives for their support in co-ordinating these regular, comprehensive communications updates, which, it was noted were also a valuable source of information to the Council of Ministers.

## **080/14 ANY OTHER BUSINESS**

### **a) Department of Home Affairs**

A copy of the Department of Home Affairs' Annual Report 2013-14 and its Business Plan 2014-2017 were considered by the Group, having been previously circulated. It was noted that the Business Plan had been cited as an example of best practice during the recent Cost Improvement Programme exercise.

### **b) Complaints process**

The Group noted that the Cabinet Office would be requesting contact details for a designated Complaints Officer from each Department in due course, to support a review into the Government's complaints process as determined by the Internal Audit Division.

W. Gibson  
Chief Secretary

9/9/14  
Date