



Department for

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DEPARTMENTAL MANAGEMENT BOARD MINUTES

WEDNESDAY 14 JANUARY 2026

In Attendance: John Greer	Acting Permanent Secretary (Chair)
John Smith	Deputy Secretary for Communities, Place & Local Government
Paul Price	Acting Deputy Secretary for Housing & Sustainability
Trevor Connolly	Acting Deputy Secretary for Corporate Services
Cherrie Arnold	Acting Deputy Secretary for Work and Health
Mark McLaughlin	Obo Emer Morelli, Deputy Secretary for Engaged Communities
Leo McLaughlin	Obo Linsey Farrell, Deputy Secretary for Operational Delivery
Olga Beagon	Director of Finance
Kathy Sands	Director of Finance
Sharon O'Connor	Non-Executive Board Member
Dale Ashford	Non-Executive Board Member
Tracy Johnston	Director of Machinery of Government
Eamon O'Kane	Asset Management Plan
George Sampson	Economic and Social Landscape
Tara McFoster	Observer CSG
Chris Connolly	Observer CSG
Susan McNickle	Secretariat
Heather Duff	Secretariat

Welcome

John Greer welcomed all attendees including Tara McFoster and Chris Connolly observers from Corporate Services Group.

Conflicts of Interest

There were no conflicts of interest declared.



Minutes of Previous Meeting and Actions

The minutes of November's meeting were reviewed and agreed. Action points were reviewed and updated.

Budget Position

Kathy provided a high-level presentation on the draft budget scenario, noting that the Department's budget has not yet been formally agreed. She outlined the key issues contained within the presentation and directed members to the full slide pack for further detail.

Kathy advised that while earmarked Resource DEL allocations have been met, the Department is currently facing an inescapable pressure of £40 million. This will require savings in the region of 5–10%. She emphasised that all potential options must be brought forward to give Minister a comprehensive picture, including a clear list of choices.

Kathy highlighted that the largest element of financial pressure relates to pay. She stressed that any options put forward must be deliverable in practice, taking account not only of financial impact but also the Department's capacity to implement proposed measures.

Kathy outlined the next steps, noting that following discussions at the Top Leadership Team meeting on 6 January, work has been commissioned to develop an options analysis for two RDEL scenarios, alongside an updated assessment of the Department's revenue-raising possibilities. An update on the five-year capital position has also been commissioned, with scenarios to be prepared. Work will continue to refine and conclude the Five-Year Sustainability Plan, after which the Minister will be briefed.



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John thanked Trevor, Kathy, Olga and their teams for the work in preparing the Department's draft budget position particularly as the Paper was received on 23 December.

The Board discussed a range of potential options and scenarios, including possible revenue-raising measures and the associated risks and impacts.

Stewardship Report

Kathy spoke to this paper and the Board noted the update on the Department's financial position for 2025–26 and future years. As at 30 November 2025, the forecast outturn indicated a £1.1m Resource DEL easement, with the Capital DEL budget expected to be fully spent. Members were advised that the Department's December Monitoring return included Reduced Requirements of £11.2m in Resource DEL and £38.0m in Capital DEL, and that Capital DEL bids of £67.7m resulted in allocations totalling £42.4m, including funding for new build social housing, the cladding safety scheme, and disabled adaptations. It was noted that, following December Monitoring, a January Technical Exercise was undertaken, during which the Department submitted no further Reduced Requirements. The Board also noted that the Finance Minister issued a draft Future Years Budget 2026-29/30 paper on 23 December for consideration.

The Board held a brief discussion on the increasing volume of Judicial Reviews in the Department. Members considered whether there may be merit in establishing dedicated support for this area, however, it was noted that the current spike in cases is likely linked to the number of major programmes underway. The Board agreed that Judicial Review work should be examined as part of the ongoing review of Deputy Secretary support teams.

The Board approved the Stewardship Report.



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Asset Management Plan

Eamon spoke to this paper providing an update on progress in developing a coherent Departmental approach to asset management. Key challenges remain, including ageing assets, significant budget pressures, limited specialist capacity, and delays in securing professional support/skills. Work continues across several fronts, including engagement with ALBs, DoF Properties Division, and the Strategic Asset Management Unit (SAMU), which is expected to provide a new asset database in the coming weeks.

Engagement with DoF has opened opportunities to explore future estate needs, including the Jobs & Benefits network and options for integrating ALB accommodation within the wider NICS estate.

The Draft Executive Budget 2026–30 highlights both the financial constraints affecting asset management capacity and the importance of an effective approach, including a new proposal allowing departments to retain capital receipts up to £20m annually from disposals. This increases the incentive to progress rationalisation and disposal activity.

The proposal is that People & Property Directorate leads a time bound exercise to re-establish effective governance, update terms of reference, confirm membership, and set clear objectives for a refreshed DfC Asset Management Group. This work will also consider opportunities for third party support and will report back to DMB by April 2026.

The Board discussed the potential development of a Departmental Asset Management Plan, noting both the financial benefits and the opportunity to improve working environments. Members highlighted several areas for further consideration, including identifying assets with the greatest potential return, prioritising properties for redevelopment or disposal, developing a high-level model, and testing approaches through pilot activity. It was agreed that CPD and LPS would need to be involved in an advisory capacity. The Board acknowledged that, given the current



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budget pressures, all departments may be required to move further toward structured asset management. Members also noted the strong inclusion of sustainability considerations within the paper.

Board Effectiveness Review

Trevor spoke to this paper, updating the Board on the findings of the Departmental Management Board Effectiveness Review undertaken by Innovation & Consultancy Services (ICS). The Review confirmed that the Board operates effectively with strong governance, strategic focus, and a constructive culture. Key strengths identified included effective oversight arrangements, structured risk and performance management, transparency, and compliance with governance and equality duties.

Areas for improvement were also highlighted, including skills gaps in digital transformation, AI, and major capital projects; limited Non-Executive Member representation; overloaded agendas and outdated document-sharing methods; limited engagement with Arm's-Length Bodies; and risks relating to succession planning.

The Review set out a number of recommendations, including clarifying the Board's role, undertaking regular skills audits, integrating emerging strategic issues into Board business, enhancing ALB engagement, modernising document-sharing platforms, and strengthening induction and succession planning arrangements.

The Board discussed the findings and recommendations of the Review, with particular focus on the role of Non-Executive Board Members (NEBMs). Members agreed that emphasis should be placed on the skills required rather than the number of NEBMs. It was noted that Boards operate differently across the public and private sectors, and that strategic NEBM input e.g. in digital and commercial property, could add significant value. The Board also agreed that departments should share



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expertise and that the Terms of Reference should be revisited, including the potential to co-opt specialist skills where needed.

Members further recognised the need to explore the strategic advocate role for DMB and agreed this should return to a future meeting. The Board noted the Review, approved the recommendations, and endorsed the proposed areas for improvement.

Economic and Social Landscape

George delivered a high level Economy and Cost of Living overview to the Board with a key focus on NEETs (young people not in education, employment or training).

The Board noted the strategic trends impacting the Department. Continued pressure on housing demand and affordability is driving increased need for social housing, homelessness interventions and wider housing support. Despite easing inflation, household vulnerability remains high, with rising claims for Discretionary Support indicating ongoing financial fragility. Members also noted a softening labour market, reflected in higher inactivity and growing NEET levels, which will place greater reliance on employability and skills programmes.

The Board further discussed the rapid rise in youth mental health related disability claims, recognising the longer-term implications for welfare expenditure and labour market participation, and the need for a much more coordinated, wraparound approach with DoH and Education to help bring about early intervention and societal change. It was also noted that forthcoming policy changes such as minimum wage adjustments, ENIC and reforms following the Timms Review, will reshape incentives and may affect employability and economic inactivity work.

John thanked George for his presentation.



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AOB

John Greer thanked the Board and observers for attending the meeting.

PRSC Paper – To note

Trevor highlighted several key points from the PRSC paper:

- The success of the NW AO pilot recruitment competition
- Following Paddy Rooney's retirement, a new DfC Strategic Wellbeing Champion is needed. Cherrie has expressed an interest in this area and has volunteered for the role.
- Causeway Exchange Accessibility update

Transfer of Digital, Security & Information Services to Corporate Services Group

DMB noted this transfer to take effect from 1 February 2026.