

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 1 MARCH 2016 AT 2.00 PM IN FORESTVIEW

1. PRESENT Dr I McMorris (Chair)

Fr T Bartlett	Mrs N Lappin
Mrs P Carville	Sir Gerry Loughran
Rev R Herron	Mr R Pollock
Ms N Toman	

2. IN ATTENDANCE

Mr G Boyd (part of meeting), Mr S McCurdy, Mr R McGreevy, Mr P O'Neill, Ms D Stockman, Ms L McCall and for part of the meeting other officers of the EA.

3. APOLOGIES

Apologies had been received from Miss N Gowan and Ms S O'Connor.

4. DECLARATIONS OF INTEREST

The Chair reminded Members of the requirement to declare interests during the course of the meeting.

5. MINUTES OF MEETING HELD ON 2 FEBRUARY 2016

On the proposal of Mrs Carville, seconded by Fr Bartlett, the Committee approved the minutes* (FGP/3/16/3) of the meeting held on 2 February 2016.

6. MATTERS ARISING FROM THE MINUTES

6.1 FORMER BALLEE COMMUNITY HIGH SCHOOL – CONSIDERATION OF POTENTIAL FUTURE USE (6.1)

Mr O'Neill reported that the Permanent Secretary had now requested a detailed location strategy for all EA staff.

6.2 ANNUAL EMPLOYMENT MONITORING RETURN (9.2)

A Member referred to the exemption on teachers employed in schools and its impact on the information returned on monitoring forms. He queried if the EA was keeping this under review. Mr McGreevy indicated that the exemption resulted in a gap in the equal opportunity information gathered for teachers. He undertook to report back to the Committee.

Action: Report back to the Committee on the issue concerning 'Teachers' Exemption'.

7. CHAIRPERSON'S BUSINESS

7.1 SCHEDULE OF COMMITTEE MEETINGS

Discussion ensued in relation to the meeting schedule for the Committee. It was agreed that meetings would continue to be held on the first Tuesday in the month and that the matter would be reviewed again in June 2016.

Action: Review meeting schedule in June 2016.

7.2 BUDGET 2016/17 – CONSIDERATION OF ADDITIONAL COMMITTEE MEETING

The Committee noted that DE officials would be attending the Education Committee on 10 March 2016 to provide information to all EA Members on the budget for 2016/17.

The Committee agreed that, should meaningful information on the budget be available prior to the Board meeting on 24 March, a meeting of the Finance and General Purposes Committee would be convened on 22 March to discuss the budgetary position.

Action: Tentative Committee date for 22 March to discuss budgetary position.

8. FINANCE

8.1 RECURRENT REPORT : TEN MONTHS TO 31 JANUARY 2016

Mr P Hughes presented the recurrent report* (FGP/3/16/6.1) detailing spend as at 31 January 2016 and the projected spend to year end (Appendix 1).

As the schools' surplus drawdown was estimated to be £0.659m, it was noted that the reported MEMR surplus on the Aggregated Schools' Budget (ASB) was £4.341m. Members noted that approval had been received in February to the surrender of the £2m easement, previously reported to DFP, and as such the reported ASB surplus position had been reduced to £2.341m. The Committee also noted that the ASB had been reduced by £3.852m as a consequence of the transfer of funding to schools which closed on 31 August 2015 for which the EA was not the funding authority.

Appendix 2* detailed additional Earmarked allocations of £1.03m received during January 2016 and easements amounting to £1.289m. The Committee noted that the net easement of £3.708m in Earmarked monies, as at 31 January 2016, and that approximately £2m of this related to school based redundancies and the voluntary exit scheme.

As at 31 January 2016, the projected Centre Block Grant year end shortfall was estimated to be £2.950m, representing a reduction of £2.230m on the figure reported within the previous MEMR. After taking account of other adjustments relating to a reduced LMS spend on Capital (£0.8m) and an outstanding corporate budget (£0.863m), the projected adjusted Centre shortfall was £1.287m.

The Committee noted that the DE Youth budget had received an additional allocation of £0.674m during the month and that the overall Youth budget, as at 31 January 2016, was £30.839m. An approximate underspend of £0.19m, as at year end, was being forecast for this area.

The Committee noted an Addendum* to the report advising of the impact of the outcome of the DE Internal January monitoring round, as follows:

- an additional allocation of £4.4m to meet pressures within the Centre block grant;
- an additional allocation of £1.03m to meet Earmarked pressures; and
- the allocation of the £0.863m in respect of the outstanding corporate budget.

This meant that the projected Centre block grant year end position could be restated as a surplus of £3.113m.

Mr McCurdy said that all efforts would be made to seek to minimise the projected surplus position and such action might include, where appropriate, allocating additional in year resources to schools having regard to DE's guidelines on schools' surpluses. He advised that the EA was required to submit the first draft of its 2015/16 Annual Accounts to the NI Audit Office by 13 May. It was anticipated that the five general ledgers would have to be closed no later than 15 April in order to facilitate the collation of information required in accordance with the year end deadlines set by DE.

A Member queried if information could be provided to the Committee on areas of overspend within the MEMR. She considered that the Committee needed to give greater focus within the budget setting process to initial projections.

Mr McCurdy suggested that some of the reported overspending was attributable to instances where the voluntary exit scheme had been expected to contribute towards the achievement of efficiencies. It was also noted that DE would facilitate virement between budget lines where the Authority put forward revised budget proposals in accordance with the provisions of the Financial Memorandum.

Members drew attention to the challenges for prudent planning given the experiences of receiving additional allocations in year. A Member commented that the direction given by DE that the EA should not expect to receive additional resources to meet in year pressures had been understandable in the current economic context.

8.2 CAPITAL REPORT : TEN MONTHS TO 31 JANUARY 2016

The Committee noted the capital report* (FGP/3/16/6.2) with an overall capital allocation (schools and youth) of £59.172m as at 31 January 2016. An overview of anticipated spend within each budget area to the year end was provided.

Mrs P McErlean said that pressures and easements in planned Major Works and the School Enhancement Programme had been reported to DE and the necessary adjustments had been made to the respective budgets.

It was noted that the allocation of £480k for minor works planned for the Ballee Centre had been withdrawn. It was also noted that an easement of £300k had been identified within the DE Youth budget due to the impact of recent weather conditions on a major work site. This would result in an underspend on the Youth Capital programme at year end.

The Chief Finance Officer said that every effort would be made to spend all budgetary allocations prior to year end.

9. SEQUENCE OF AGENDA ITEMS TO FACILITATE DISCUSSION IN COMMITTEE

On the proposal of Mr Pollock, seconded by Rev Herron, the Committee agreed to consider in committee agenda items 6.3 and 8.2 relating to the IFS Project and Tenders respectively. Agenda items were taken in the following order.

9.1 IFS PROJECT - INTERIM OPERATIONS FOR SYSTEMS IMPLEMENTATION

A report* (FGP/3/16/6.3) was provided by the IFS Project Manager detailing the proposed guiding principles and methodology for implementing an interim solution to support the introduction of the replacement Finance, HR and Payroll systems.

9.2 TENDERS

The Committee considered tender reports* (FGP/2/16/8.2.1 and 8.2.2).

On the proposal of Mrs Lappin, seconded by Mr Pollock, the Committee agreed to resume the meeting.

The Chair reported that, while in committee, the Committee had:

- (i) noted the Report on the IFS Project setting out interim arrangements to support the introduction of the replacement Finance, HR and Payroll systems;
- (ii) requested information, in due course, on the future location of the various functions operating within the financial systems;
- (iii) approved the recommendations concerning the tenders as set out below;
- (iv) requested information on the facility to ensure that companies of all sizes had opportunity to bid for EA works;
- (v) requested information on the inclusion of social clauses within the tendering process; and
- (vi) agreed that a report would be presented on options available to the Committee with regard to delegated limits.

Tenders approved on the proposal of Mrs Carville, seconded by Mr Pollock:

- *Construction Works*

CfT EANI-94 / CfT EANI-95 (Lots 1 and 2 – appointed for an initial period of one year, may be appointed for a further three years on one year increments);

CfT EANI-83; CfT EANI-118; CfT EANI-120; CfT EANI-175; CfT EANI-179; CfT EANI-188; CfT EANI 226; EANI-138; EANI-140; EANI-141; ITT 18448; ITT 244877; ITT 239962;

Tenders approved on the proposal of Mrs Carville, seconded by Fr Bartlett:

- *Goods and Services*

70092; 70066; 70117; 70103; 70119; 70069; 70098; 70120; 70121; 70099; 70026; 70027; 70028.

While in committee, reports concerning the following tenders had also been noted:

- *Goods and Services*

Select Tenders: 70050; 70111; 70127; 70135.

Awarded from External Frameworks: 70112; 70124 and CfT 62904.

Actions: Reports to be provided to the Committee on: information on the location and grades of staff operating Finance, HR and Payroll systems; the arrangements that allow for companies

of all sizes to have opportunity to bid for EA construction works; the arrangements that include social clauses within the tendering process for construction works; and the options available to the Committee with regard to delegated limits for approval of tenders.

10. HUMAN RESOURCES

EQUALITY UPDATE

The Committee noted that, following formal approval of the EA Equality Scheme / Interim Disability Action Plan by the Equality Commission, a training programme to disseminate the details and obligations of the Equality Scheme would be provided to EA Board Members, staff and Section 75 consultees.

The Committee also noted that the Equality Scheme contained a commitment to conduct an Audit of Inequalities which would inform the development of an Equality Action Plan. It was planned that this work would be shared with the Senior Management Team.

A report on the March meeting of the Joint Consultative Forum was provided.

11. OPERATIONS AND ESTATES SERVICES

11.1 VACANT PROPERTIES (MAINTENANCE AND SECURITY)

The Committee noted the position paper* (FGP/3/16/8.1) which had been amended to reflect maintenance and security costs at vacant EA properties.

Ms Stockman reported that arrangements had progressed to dispose of three properties detailed in the paper. These properties were land at Kircubbin Sailing Club, land adjacent to Clifton Street School and Roslyn Street Youth Club site.

It was pointed out that the schedule of assets for disposal in 2016/17 would be discussed with DE officials in the near future.

11.2 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/3/16/8.3) containing information in respect of CfT EANI-45; CfT EANI-58; CfT EANI-82; CfT EANI-86; ITT 27475 and ITT 28567.

11.3 TERM SERVICE CONTRACTS – EXTENSION

The Committee noted that Procurement Guidance [FD (DFP) 10/15] issued on 25 November 2015 required all contracts, contract extensions and procurement projects to be supported by suitable appraisals and business cases. It noted the paper* (FGP/3/16/8.4) setting out the appraisal of options and business cases for the proposed extension to four current Term Service Contracts for Building Maintenance in the South Eastern and Southern sub-regions.

(Rev Herron left the meeting at 4.30 pm.)

11.4 LAND AND PROPERTY TRANSACTIONS

Granting / Renewing of Leases: Secondary Pupil Support Service, Barrack Street Premises; Ballyclare Grounds Maintenance Depot; Hollybank Primary School, Newtownabbey; Kilcoan Primary School, Islandmagee; Drumahoe Primary School.

Disposal of Assets: Land adjacent to: Willowbank Youth Club, Taughmonagh Youth Club and Killowen Outdoor Education Centre, Rostrevor.

Grant of Right of Way and Grant of Easement: Woodburn Primary School, Carrickfergus

Purchase of Freehold Title: Garvagh High School Museum and Heritage Centre on the Garvagh High School site.

Ms Stockman detailed the various recommendations set out in the report* (FGP/3/16/8.5).

A Member queried the particulars of the lease arrangements with Derry City and Strabane District Council in respect of Drumahoe Primary School. Subject to clarity being provided on the terms of the lease arrangements to the satisfaction of the officer and the information provided to the Member, the Committee agreed, on the proposal of Mrs Carville, seconded by Mr Pollock, to recommend that the Board should progress the transactions as set out in the paper*.

Action: *Ensure terms of the lease arrangement in respect of Drumahoe Primary School are satisfactory and inform Member.*

11.5 RENEWAL OF LIST OF PRE-QUALIFIED ECONOMIC OPERATORS (BUILDING CONTRACTORS) FOR WORKS PROJECTS

A paper* (FGP/3/16/8.6) setting out a proposal in respect of a new pre-qualification process for building contractors who wished to be considered for inclusion on the Pre-Qualification List (PQL) was considered. It was noted that the term of the current PQL for building works would expire in April 2016.

On the proposal of Mrs Carville, seconded by Mr Pollock, the Committee agreed to recommend that the Board would replace the conditions of the existing Pre-Qualification List for Works with a similar updated Pre-Qualification process as set out in the paper.

12. EXTENSION OF LEASE AT FORESTVIEW

The Committee noted that DFP in October 2015 had approved the lease for one unit on the ground floor at Forestview up to 31 March 2016 for the Youth Council and three units on the first and second floors up to 30 April 2016 for the EA. The Asset Management Unit had been tasked, as part of DFP's approval process in October, to find viable alternative accommodation for the EA within the wider public sector estate. One location had been identified in Belfast city centre and the EA Chair and Chief Executive had expressed an interest in this location.

The Committee considered the paper* (FGP/3/16/9). Concerns were raised in respect of car parking requirements for EA Board Members in a city centre location. It was emphasised that any decision making on a location strategy for EA Headquarters would require Board approval. A Member also pointed out that a report on utilising current EA properties had not yet been presented to the Board. Mr Boyd advised that the paper sought Committee consideration only to the extension of lease arrangements at Forestview up to 31 March 2017. This timeframe would enable the EA to give consideration to a detailed location strategy.

On the proposal of Mrs Lappin, seconded by Mrs Carville, the Committee agreed to recommend that approval should be sought from DE and DFP to extend the current lease arrangements at Forestview up to 31 March 2017. This arrangement would incorporate the unit occupied by the former Youth Council staff and one additional unit to accommodate the newly appointed Directors and their PAs. It was further agreed that a paper would be presented to the Committee in due course on a location strategy for EA Headquarters.

Action: Paper to be presented to the Committee in due course on a location strategy for EA Headquarters.

13. CHANGE MANAGEMENT – CUT OVER STRATEGY

Organisational charts* detailing senior management structures as at March 2015, March 2016 and April 2016 were presented.

A Member received clarification that the Change Director would revert to the Strategic Investment Board in due course. A query was raised in relation to the number of officers in the April 2016 structure. It was pointed out that all boxes in April 2016 did not reflect senior managers but rather those which reported to Directors. Members noted that 26 officers in the top three tiers would have left the EA within a 6-9 month period.

It was agreed that further reports would be presented to the Committee on the March 2015 and April 2016 structures; each report would detail individual Directorates and the positions / grades of officers who would report to each Director.

A paper* setting out the relationships between senior EA and DE officers was noted. It was agreed that a further paper outlining the roles / responsibilities of DE Directorates would be provided to the Committee.

Actions: Individual organisational charts by Directorate to be presented to the Committee as at March 2015 and April 2016; Roles and responsibilities of DE Directorates to be defined.

14. DATE OF NEXT MEETING

The next meeting was scheduled for 5 April 2016.

The meeting ended at 5.05 pm.

Chair

Date

* Paper circulated ** Paper tabled

Action Sheet
Finance and General Purposes Committee : 1 March 2016

Minute Ref	Actions
6.2	Annual Employment Monitoring Return Report back to the Committee on the issue concerning 'Teachers' Exemption'.
7.1	Schedule of Committee meetings Review meeting schedule in June 2016.
7.2	Budget 2016/17 – Consideration of Additional Committee Meeting Tentative Committee date for 22 March to discuss budgetary position.
9.1	IFS Project Report to be provided to the Committee on information on the future location of the various functions operating within the financial systems.
9.2	Tenders Reports to be provided to the Committee on the arrangements that allow for companies of all sizes to have opportunity to bid for EA construction works; the arrangements that include social clauses within the tendering process for construction works; and the options available to the Committee with regard to delegated limits for approval of tenders.
11.4	Land and Property Transactions Ensure terms of the lease arrangement in respect of Drumahoe Primary School are satisfactory and inform Member.
12.	Extension on Lease at Forestview Paper to be presented to the Committee in due course on a location strategy for EA Headquarters.
13.	Change Management – Cut Over Strategy Individual organisational charts by Directorate to be presented to the Committee as at March 2015 and April 2016; Roles and responsibilities of DE Directorates to be defined.