

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 1 MAY 2018 AT 2.00 PM IN ANTRIM

1. PRESENT Dr I McMorris (Chair)

Mrs P Carville Rev R Herron
Mr J Craig Sir Gerry Loughran
Mr G Doran Ms S O'Connor

Mr O McMullan was in attendance

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mrs C Duffield, Ms S Long, Mr M McDermott and Ms L McCall.

3. APOLOGIES

Apologies had been received from Mrs M Culbert, Mr R Pollock and Ms N Toman.

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 10 APRIL 2018

The Committee approved the minutes* (FGP/5/18/3) of the meeting held on 10 April 2018 on the proposal of Mrs Carville and seconded by Sir Gerry Loughran.

6. MATTERS ARISING FROM THE MINUTES

6.1 CHAIR'S BUSINESS - CORRESPONDENCE (8)

Miss Bill advised that while a statement had been drafted in readiness for an article appearing in the press, this had not proved necessary. She said that a report on the professional qualifications of staff within Finance and Audit would be presented to the Committee at its June meeting.

6.2 MANAGING SICKNESS ABSENCE (10.2)

The Chair said that a report on managing sickness absence would be presented to the Committee at its June meeting.

7. CHAIR'S BUSINESS

MATTER REFERRED FROM THE BOARD MEETING

The Board, at its meeting on 29 March 2018, had agreed that a report on environmental issues would be presented to the Finance and General Purposes Committee. The Chair advised that this report would be presented to the Committee at its June meeting.

8. OPERATIONS AND ESTATES

8.1 TENDERS

The Committee considered the tender report* (FGP/5/18/6.1) and noted the following:

- Controlled Sector Construction Works (within approved delegated limits) – CfT 1420667; CfT 1432907; and CfT 1433136.

8.2 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/5/18/6.2) containing information in respect of contracts which had been signed and sealed.

8.3 LAND AND PROPERTY TRANSACTIONS

Ms Long detailed the recommendation set out in the report* (FGP/5/18/6.3) relating to the disposal of an asset (Portrush Youth Centre and adjacent former Technical College premises).

Mr Doran entered the meeting at 2.10 pm.

In response to Members' queries, Ms Long confirmed that officers were actively pursuing a disposal policy where properties and assets had been declared surplus to requirements. She undertook to present to the Committee a progress report on disposal of properties and assets.

A Member queried Treasury guidelines around disposal of property and sale of receipts. It was agreed that officers would engage with DE officials on this matter to discuss the proportion of receipts that could be made available to EA from the disposal of property in order that this funding might be re-invested in the school estate.

On the proposal of Mrs Carville and seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the transaction in the report.

Actions: *A progress report on disposal of properties and assets to be presented to the Committee in due course; officers to engage with DE officials to discuss the proportion of receipts that could be made available to EA from disposal of property.*

9. HUMAN RESOURCES

FAIR EMPLOYMENT MONITORING RETURN 2018

Mr McDermott presented the Fair Employment Monitoring Return* (FGP/5/18/7.1) which was required to be submitted annually to the Equality Commission. In response to a Member's query, Mr McDermott confirmed that a more detailed exercise was carried out every three years in respect of Article 55 obligations for submission to the Equality Commission. This report would be presented to the Committee at the relevant time.

The Committee noted the report.

10. FINANCE

PROVISIONAL OUTTURN 2017/18 - RECURRENT AND CAPITAL

Miss Bill gave a presentation on the provisional outturn figures for both recurrent and capital.

The Committee noted that, based on the information available at that time:

- the provisional outturn for recurrent (including VG / GMI schools) was an overspend of £19.823m (representing 3.46% of the overall Block Grant); and
- the provisional outturn for capital was an underspend of £118k (representing 0.17% of the total Capital budget).

It was noted that the provisional recurrent outturn figure was consistent with the minimum and maximum scenarios used as part of EA's financial planning process and the updates on projected outturn reported to Members during the year.

Miss Bill advised that 180 schools had submitted stock counts. While the stock counts of 120 schools had been valued at £5.1m (estimated), the provisional outturn position made provision for all 180 schools (estimated £6.9m) based on estimated average figures per sector.

Miss Bill provided an update on Earmarked funding where EA was in discussion with DE to confirm budgets. It was anticipated that this would result in no overspend for these areas.

Miss Bill said that officers were in the process of undertaking a five year review and LPS-based valuation of the EA estate. This information would be captured within AME (Annually Managed Expenditure).

A Member received clarity on the process around community use of school premises. He suggested that EA should investigate opportunities to access grant aid. Mr Boyd said that the Corporate Leadership Team had discussed this issue and had considered that a dedicated resource to take forward this area would be beneficial. This matter would receive further consideration.

The Chair referred to opportunities to further develop relationships with Health Trusts in respect of facilities at special schools.

A Member queried the position regarding school deficits. Mr Boyd said that overall schools had spent an estimated £30m in 2017/18 additional to their CFF allocation. This figure included £8m of surplus drawdown. In cash terms, schools had received similar allocations in 2018/19 compared to 2017/18. This meant that schools would continue to face challenges regarding general pay and price increases. Miss Bill provided a report on the overall deficit position in schools since 2015/16. It was noted that the school deficit position was increasing by over 100% year on year. She advised that officers had changed the approach to schools' financial planning for 2018/19. This strategy had been discussed at the engagement events with school representatives at the end of March.

A Member referred to the comment made by the Comptroller and Auditor General (C&AG) in his public interest report that EA had taken five months to agree a strategy in order to balance the 2016/17 budget. She highlighted the importance of adhering to deadlines. Miss Bill advised that EA and DE had been in ongoing discussions on the 2017/18 budget from the start of the year. She said that the 2017/18 provisional outturn position, as well as information on the draft budget for 2018/19, had been submitted to DE the previous day in line with the timeframe. She also summarised the approach and associated timeframe to agree the 2017/18 budget with DE.

Mr Boyd said that the press release associated with the C&AG's public interest report had been covered in the media that day. He had offered to meet the media to further discuss the matter but the offer had not been taken up. He said that the press release had highlighted that around 99% of EA's budget was spent directly on schools and services supporting children and young people which left little flexibility for EA to reduce spending. The press release had also highlighted that EA would continue to make the case for additional funding whilst seeking to transform the education system

The Committee agreed that the communications strategy around EA's challenging financial context and the need for transformation should be a targeted approach to all key stakeholders.

The Committee also agreed that, in order to support the communications strategy, an exercise would be undertaken to provide comparative data on costs per pupil.

The Chair of the Board commended officers on good working relationships with DE around financial management. She also commended officers on the quality of analysis provided to Members in order to inform decision making.

The Chair acknowledged challenges in respect of the tight timeframe for submitting this information to DE and he paid tribute to Finance staff for this work.

Actions: Targeted approach to be adopted for all key stakeholders in respect of communicating EA's challenging financial context and the need for transformation; and exercise to be undertaken in support of the communications strategy to provide comparative data on costs per pupil.

11. DATE OF NEXT MEETING

The next meeting would be held on 5 June 2018.

The meeting ended at 3.05 pm.

Chair

Date

* Paper circulated ** Paper tabled