

**MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF
THE EDUCATION AUTHORITY HELD ON 10 JANUARY 2017 AT 2.00 PM IN ANTRIM**

1. PRESENT Dr I McMorris (Chair)

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

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mrs C Duffield, Ms S Long, Mr P O'Neill, Ms L McCall and for part of the meeting Mr J Mason, Mr R McGreevy and Mr P O'Rawe.

3. RESIGNATION OF MEMBER

The Chair advised that DE had received notification from the Catholic Trustees of Fr T Bartlett's resignation from the Authority.

4. DECLARATIONS OF INTEREST

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

5. MINUTES OF MEETING HELD ON 1 NOVEMBER 2016

It was pointed out that the DE Youth capital allocation was detailing a forecast pressure of £21k. Subject to this amendment, the minutes* (FGP/1/17/3) of the meeting held on 1 November 2016 were approved as an accurate record on the proposal of Mr Pollock, seconded by Rev Herron.

6. MATTERS ARISING FROM THE MINUTES

6.1 WORKING GROUP ON SCHOOL SURPLUSES AND DEFICITS (10.1)

The action plan to accompany the Working Group's Report had been agreed by the Board on 15 December 2016. This included the development of a scheme, within existing resource, to provide bursar support to schools. The Chair said that the matter would be reviewed by the Committee in due course.

6.2 LAND AND PROPERTY TRANSACTIONS (11.4)

It was noted that the matter relating to neighbouring land at Gransha High School was being addressed.

6.3 BOARD MEMBER EMAIL ACCOUNTS (12)

It was noted that some Members had opted to change their email accounts to the EA address.

7. BUDGET 2016/17 and 2017/18

A progress report on budget matters would be provided within the Recurrent and Capital Reports.

Mr G Doran entered the meeting at 2.10 pm.

8. FINANCE

8.1 RECURRENT REPORT : EIGHT MONTHS TO 30 NOVEMBER 2016

Miss Bill presented the recurrent report* (FGP/1/17/7.1) detailing spend as at 30 November 2016 and the projected spend to year end (Appendix 1).

The allocation for Schools' Delegated Budgets was £904.478m. The projected schools' year end position was indicating that schools expected to draw down £10m of their accumulated prior year surpluses in total. As part of the June monitoring round, £5m had been received from DE to address the school surplus drawdown. Members noted that the latest bid for the remaining £5m had been submitted to DE on 12 December 2016.

The Earmarked allocation was £58.762m. The Committee noted the projected £11.417m estimated pressure on the Earmarked budget which related to costs associated with the release of non-teaching staff through the voluntary exit scheme (£3.003m) and a pressure within School Maintenance (£8.517m). It was noted that if additional earmarked funding was not received, the potential overspend in School Maintenance would have to be managed by the EA. Such actions would include not carrying out statutory / cyclical works and reviewing all committed schemes on the Manhattan system to prioritise essential works.

Appendix 2* detailed the total monies available to DE Schools and DE Youth, including Earmarked allocations.

The EA Block Grant was detailing an estimated overspend of £12.420m. This comprised pressures against the budget and included areas where the EA had submitted bids for consideration in the January monitoring round. This also contained the application of a number of savings estimates. Reflecting the scale of the financial pressures within the EA, the savings contained a number of difficult and unpalatable decisions which impacted on the EA services and on schools and children and young people and carried significant risk. Estimated savings of £30.767m had been applied. This figure was based on the August 2016 long list of savings estimates and would be updated to take account of the outcomes of the decisions taken by the Board on 24 November 2016 and subsequently. Members noted that in the case of savings that applied to more than one service line, eg the voluntary exit scheme and reclassification of expenditure from recurrent to capital, these savings had been apportioned across services based on high level assumptions.

Miss Bill outlined the savings measures that had been agreed by the Board on 24 November 2016 in the areas of School Catering, Transport, Music, the operation of the Common Funding Formula and other savings measures. She outlined the engagement carried out by EA officers with DE officials on these savings measures.

A Member queried the extent of the bids submitted to DE as part of the January monitoring round. Miss Bill said that, in addition to the bid of £5m for school surplus drawdown, bids amounting to £15.812m had been submitted.

Miss Bill also outlined work that was continuing in respect of the 2016/17 savings measures.

The DE Youth allocation was £34.042m. It was anticipated that this budget would come in on target at year end. DE Youth capital was also forecast to come in on target at year end.

Miss Bill said that, as the new Finance system had become operational on 5 December 2016, future MEMRs would be driven from a single system as opposed to the five legacy Education and Library Board systems.

Ms Long presented a paper** setting out the actions taken in respect of the agreed savings measures within the School Catering and Transport Services. Members noted that schools had received notification in December 2016 of changes to school meals. This consisted of a 5p price increase in the cost of a school meal from January 2017, a further 5p increase to commence in September 2017 and the introduction of a convenience dessert from March 2017. Ms Long advised that a paper setting out the proposed future service vision and Facilities Management Service delivery model would be presented to the Committee for consideration in March 2017.

Members noted the work being taken forward within the Transport Service. This related to the harmonisation of the interpretation of the DE Circular 1996/41 on School Transport, service efficiency and effectiveness measures, the development of a charging model, and savings measures within Special Education transport. Ms Long advised that a consultation paper on a charging model for transport would be presented to the Committee for consideration in February 2017.

Miss Bill drew attention to engagement with DE officials on the 2017/18 savings measures within each directorate. She advised that some of the 2017/18 measures were now being considered for 2016/17.

The Committee discussed recent political developments.

Mr Boyd said that in light of the current political process, it was inconceivable that the Authority would receive its capital budget for 2017/18 prior to 31 March 2017. He advised that the Permanent Secretary in the Department of Finance could allocate 75% of the previous year's allocation to Arms' Length Bodies. He added that the Permanent Secretary had no discretion to move money between Departments.

8.2 CAPITAL REPORT : EIGHT MONTHS TO 30 NOVEMBER 2016

The Committee noted the capital report* (FGP/1/17/7.2) detailing spend as at 30 November 2016 (£43.233m) within the overall capital allocation (schools and youth) of £87.561m.

Miss Bill provided an update on individual budget lines. She pointed out that £200k had been received to facilitate accommodation and ICT support in respect of the transfer of responsibilities to the EA for the Voluntary Grammar / Grant Maintained Integrated sectors. It was noted that a bid, submitted to DE for £0.963m for the replacement of a number of 33 seater buses had been successful and that no further bids had been submitted due to the timeframe to spend any potential funding before 31 March 2017.

Members noted the revised allocations and spend as at 30 November 2016. Members also noted that capital allocations and spend profiles were being carefully monitored with new processes in place involving Finance, ICT, and Operations and Estates, reflecting the move to a function structure. Miss Bill said that officers continued to discuss capital progress with DE officials.

9. HUMAN RESOURCES

9.1 ASSISTANT DIRECTORS - RECRUITMENT AND ASSOCIATED MANAGEMENT OF CHANGE : UPDATE

Mrs Duffield presented the paper* (FGP/1/17/8.1) summarising the position to date on the implementation of the new Assistant Director structure and the next steps to proceed with recruitment.

Mrs Duffield said that the Business Case for the remuneration of the Assistant Director posts had now been approved by DE and DoF. This meant that the internal trawl for the 19 posts could now commence.

Members noted the number of senior managers at ASEO level and above who remained in post and were affected by the change process. Mrs Duffield advised that the EA was fully committed to the process of consultation and negotiation with individuals and Trade Unions to explore all options available for senior managers. A Member received clarification on the issues which were being disputed by the Trade Unions within the change process. It was noted that a further meeting was being held with Trade Union officials the following day.

Mrs Duffield outlined pay progression arrangements for the Assistant Directors which were in line with Executive Pay Policy and which depended on satisfactory assessment of performance. Clarification was provided on the arrangements for the starting point of salary within the salary band for successful candidates who were recruited either internally or externally. Members noted the challenges for attracting external candidates as a result of the agreed pay progression arrangements.

A Member referred to the challenging financial environment, the difficulties around recent decisions taken in respect of School Meals and Transport and the current process involving the proposed rationalisation of Outdoor Education Centres. She wished to be assured that the number of Assistant Director posts and the remuneration scale for these posts were appropriate. Another Member sought clarification on the role of the senior managers who remained in post, the role of the Assistant Directors and the estimated cost savings. Mr Boyd said that, in establishing the Education Authority, the Business Case had set out the rationalisation programme for senior management, including the associated cost savings. As a result of the uptake by senior managers in the voluntary exit scheme and taking account of those managers who would return to substantive roles, he confirmed that the rationalisation programme meant that the head count and associated savings at senior management level would be approximately half the previous cost base for all the legacy organisations. He advised that the exercise to set the salary for the posts had been carried out under the auspices of DE and these posts had been evaluated in accordance with similar posts within the public sector. He referred to the proposals in respect of the Outdoor Education Centres which had been discussed by the Children and Young People's Services Committee and subsequently the Board. Board

Members had noted the duplication of services across the Centres and the low uptake in usage in some of the Centres. The proposed rationalisation programme would provide the opportunity to establish robust rationale to enhance their future role. He confirmed that all staff working in the Outdoor Education Centres were either being redeployed or availing of the voluntary exit scheme.

A Member referred to the distribution of public sector jobs in NI and average pay earnings. He wished to be assured that staff in the west of the Province applying for posts within the EA would not be negatively impacted. Mr Boyd said that all EA staff were paid the appropriate rate for their post irrespective of locality. He confirmed that the EA was sensitive to this matter and, in all possible instances, it would not be definitive about where officers would have their base location. The Chair of the Board said that reassurance on location of posts would be provided to staff.

Mrs Duffield confirmed that all arrangements would now be set in place to proceed with the next steps to recruit the Assistant Directors and that the consultation process with existing senior officers who would be potentially affected by the changes would continue, as set out in the paper.

Ms Toman left the meeting temporarily at 3.00 pm.

9.2 EA ON-LINE ADVERTISING SERVICE - SIX MONTH REVIEW

Mr McGreevy presented the paper* (FGP/1/17/8.2) which set out an analysis of the move to online advertising in the first six months of operation and the proposals to move permanently to online advertising in consultation with relevant stakeholders. He pointed out that a full equality screening of the online advertising service, taking into consideration the data collected as part of the six month review, had identified no adverse impact on any of the Section 75 equality groups.

Mr McGreevy drew attention to the detailed analysis of application rates in the six month review period. He said that officers would take steps to raise awareness of online advertising to those service groups for which lower application rates had been identified. In addition, consideration would be given to extending the online service to other Education sectors. A Member commented that a charging mechanism could be explored with Education partners for this service. It was noted that the Voluntary Grammar sector was developing its own website for recruitment advertising.

A Member queried the application rates for catering and cleaning posts during the review period. Mr McGreevy said that there was an increase in applications in these two services following the move to online advertising.

(Ms Toman re-entered the meeting at 3.05 pm.)

A Member requested that work should commence on the EA website to enable all recruitment advertising to be accessed by stakeholders within one section. This was agreed.

A Member referred to the concerns raised by a regional newspaper as a result of the move to online advertising. Mr McGreevy said that the advice of the Equality Commission on this matter was to continue to monitor online arrangements for a further 12 month period.

On the proposal of Ms O'Connor, seconded by Mr Pollock, the Committee agreed to recommend the adoption of the recommendations contained in the paper. This would enable the online advertising service to be adopted, in consultation with relevant stakeholders, as a permanent mode of operation for recruitment advertising. The Committee also agreed that officers would continue to monitor the impact of online advertising for a further 12 month period.

Actions: *Develop EA website to facilitate one portal for recruitment advertising; explore potential to charge Education partners for availing of the online advertising service; monitor the impact of online advertising for a further 12 month period.*

9.3 FAIR EMPLOYMENT AND TREATMENT (NORTHERN IRELAND) ORDER 1998 – THE TEACHERS' EXEMPTION

Mr Mason said that the Executive Office was carrying out initial consultation on Article 71 (the Teachers' Exemption) of the Fair Employment and Treatment (Northern Ireland) Order (FETO) 1998 to establish if the exception was currently used and if there was support for the possible removal of the exemption. He presented the paper* (FGP/1/17/8.3) setting out the background to the FETO teachers' exception and the views being sought by the Executive Office.

Mr Mason advised that the Teachers' Negotiating Committee (TNC) had considered the issue. Each employing authority had been asked to submit its position regarding a review of this clause of FETO. He also advised that the Executive Office had been informed of the governance structure and associated timeframe within which the EA would be considering and responding to the initial consultation.

Members were mindful that the initial consultation on the removal of the Teachers' Exemption would impact on all representative groups serving on the Board and that not every interest group served on the Finance and General Purposes Committee. A Member commented that the Executive Office was seeking the views of all stakeholders directly.

Mr O'Rawe outlined legal considerations. A Member also asked for clarification on the issue relating to the use of the Certificate in Religious Education.

On the proposal of Mrs Lappin, seconded by Mr Pollock, the Committee agreed that Mrs Duffield would circulate a paper to all Members of the Board to seek their views on the removal of the Teachers' Exemption. This paper would provide clarification on the views being sought by the Executive Office and set out any legal implications. Members would be invited to respond to Mrs Duffield in order that a proposed EA position paper on the matter would be presented to the Committee for consideration at its next meeting on 7 February 2017 and subsequently enable a response to be made to the Executive Office from the EA as the managing authority for controlled schools.

(Ms Toman left the meeting at 3.32 pm.)

Actions: *Seek all Board Members' views on the Teachers' Exemption and provide a draft EA position paper to the Committee at its next meeting on 7 February 2017.*

10. DISCUSSIONS IN COMMITTEE

On the proposal of Mrs Lappin, seconded by Mr Pollock, the Committee agreed to consider the following items of business in committee.

10.1 HUMAN RESOURCES - CONTRACTUAL ISSUES

Mrs Duffield gave a report on contractual issues involving school based employees undertaking Extended Schools' activities.

The Chair reported that Members had noted the report on contractual issues and the course of action that officers would be taking to regularise the status and conditions of staff engaged in the Extended Schools' Programme.

(During discussion of this item, Ms O'Connor left the meeting temporarily at 3.36 pm and re-entered at 3.39 pm.)

10.2 HUMAN RESOURCES - INVESTING IN THE TEACHING WORKFORCE : PILOT SCHEME

(Mr J Craig declared an interest in this item.)

Mrs Duffield gave a report on the pilot scheme which had been launched for the current year and aimed to re-profile the teaching workforce by enabling the release of teachers in permanent posts aged 55 years and over on 31 March 2017 through an application process and to enable these posts to be replaced with teachers who were qualified to teach from 2012.

The Chair reported that Members had expressed significant concerns with regard to the ramifications of this scheme and had requested that these concerns be relayed to DE officials.

Action: *Relay the Committee's concerns on the ramifications of the Scheme to DE officials.*

10.3 OPERATIONS AND ESTATES SERVICES – TENDERS

(Mrs Lappin declared an interest in Lurgan Junior High School.)

The Committee considered the tender reports* (FGP/1/17/9.1.1 and 9.1.2).

The Chair reported that the following tenders had been approved on the proposal of Mrs Carville and seconded by Ms O'Connor:

- Construction Works: EANI 601; EANI 640.
- Goods and Services: T70175; T70224; T70225; T70238.

The following tenders had also been noted:

- Construction Works: EANI 497; EANI 555; EANI 565; EANI 582; EANI 598; EANI 603; EANI 606; EANI 615; EANI 628; EANI 634; EANI 672; EANI 675 *(report provided on the withdrawal of the lowest tenderer and the award of the tender to the second lowest tenderer and the associated cost variation)*; EANI 686; EANI 696; EANI 701; EANI 715.

- Goods and Services (delegated arrangements): T70126; T70188; T70203; T70237.
- Goods and Services (select tender): T70212; T70227; T70233; T70239.
- Goods and Services (external framework): 652 (EA Ref 70248).

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to resume the meeting.

11. OPERATIONS AND ESTATES SERVICES

11.1 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/1/17/9.2) containing information in respect of contracts signed and sealed.

11.2 LAND AND PROPERTY TRANSACTIONS

Renewal of Lease: Ballymena Grounds Maintenance Depot at Pennybridge Industrial Estate, Ballymena; Ballymoney Music Workshop at Dalriada Voluntary Grammar School. Acquisition of Lease for land adjacent to Culcrow Primary School.

Surrender of Lease and acquisition of new lease to NIEN at Silverstream Primary School. Surrender of Lease and acquisition of new lease and Wayleave to NIEN at Bushmills Educational Centre.

Wayleave: Carrickfergus Grammar School; Parkhall Senior School; Blackwater Integrated College.

Disposal of former Loanends Primary School site.

Contract for Sale: Ardnashee School and College.

Ms Long outlined the recommendations set out in the report* (FGP/1/17/9.3). She also outlined the recommendation set out in the report** concerning the acquisition of a site for Ardnashee School and College.

The Committee agreed to recommend that the Board should progress the transactions as set out in the reports.

12. ANY OTHER BUSINESS

SCHEME FOR THE EFFICIENT DISCHARGE OF TEACHERS

Mrs Duffield said that two cases were under consideration within the terms of the scheme for the efficient discharge of teachers and school leaders. She provided a brief outline of the progression of both cases.

The Committee noted the report.

13. DATE OF NEXT MEETING

The next meeting would be held on 7 February 2017.

The meeting ended at 4.20 pm.

Chair

Date

* Paper circulated ** Paper tabled