

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 10 NOVEMBER 2015 AT 1.00 PM IN FORESTVIEW

1. PRESENT Dr I McMorris (Chair)

Fr T Bartlett	Mrs N Lappin
Mrs P Carville	Sir Gerry Loughran
Miss N Gowan	Ms S O'Connor
Rev R Herron	Mr R Pollock

2. IN ATTENDANCE

The Interim Chief Executive, the Interim Head of Finance, the Interim Head of Corporate Human Resources, the Interim Director of Operations and Estates Projects, the Change Director, the Board Support Manager and for part of the meeting other officers of the EA.

3. DECLARATIONS OF INTEREST

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

4. MINUTES OF MEETING HELD ON 13 OCTOBER 2015

The Committee considered an amendment* (FGP/11/15/3.1) to minute 11.1. On the proposal of Rev Herron, seconded by Miss Gowan, the Committee approved the minutes* (FGP/11/15/3) of the meeting held on 13 October 2015 subject to the incorporation of the amended minute 11.1 into the minutes.

5. MATTERS ARISING FROM THE MINUTES

5.1 OVERVIEW OF THE CATERING SERVICE (10.1)

A report on the method of transporting school meals and associated costs would be presented to the Committee at its January meeting.

(Sir Gerry Loughran entered the meeting at 1.05 pm.)

The Interim Head of Corporate Human Resources advised that a proposal was being drawn up for the consideration of the Joint Negotiating Council on the school meals abatement for school based staff. This proposal would be reported to the Committee prior to any consultation. In addition, it was agreed that the information contained within JNC Circular 169 on School Meals Abatement (Deduction) would also be provided to the Committee.

Actions: Report proposal on school meals abatement to the Committee prior to consultation with JNC; present JNC Circular 169 to the Committee.

5.2 LAND AND PROPERTY TRANSACTIONS (10.4)

A paper** (FGP/11/15/4.1) identifying assets declared surplus to requirements was considered. It was noted that some properties were in the process of disposal, some were being occupied by third parties through particular arrangements and some had legal titles which were restricting disposal. The Authority's responsibilities with regard to

these properties were discussed. It was agreed that information on Rates and Rates Exemptions would be provided to the Committee. It was also agreed that every effort should be made to dispose of all properties.

Actions: *Information on Rates and Rates Exemptions to be provided; every effort to be made to dispose of all properties.*

6. CHAIRPERSON'S BUSINESS - ROLES OF CHAIRS OF FINANCE & GENERAL PURPOSES COMMITTEE AND AUDIT & RISK ASSURANCE COMMITTEE

The Committee noted a report** prepared by the chairs of the two Committees in relation to their respective roles. This information would be shared with all Board Members.

7. FINANCE

7.1 RECURRENT REPORT : SIX MONTHS TO 30 SEPTEMBER 2015

The Interim Head of Finance presented the recurrent report* (FGP/11/15/6.1) detailing spend as at 30 September 2015 and the projected spend to year end (Appendix 1). He also presented the restated MEMR* (Appendix 3) for the period ending 31 August 2015 which detailed a forecast overspend of £10.8m against the previously reported forecast overspend of £17.2m. It was pointed out that the amended August MEMR shortfall reflected adjustments in respect of those areas where there was a reasonable expectation of deliverability by 31 March 2016, ie voluntary severance (£1.8m); second Easter period in 2015/16 (£0.5m); Transport (£0.1m); EA Change Management (£1.5m) and Catering spend relating to the extension of the free school meals entitlement (£1.2m). It also allowed for Capital reclassification (£1.3m) which related to the forecast spend in year by schools on capital from LMS resources. The report on the August MEMR also set out a reconciliation back to the reported shortfall on the Savings Delivery Plan of £2.3m as at 27 August 2015.

Discussion ensued in relation to the out-workings of the voluntary exit programme, the potential for the programme to be impacted from April 2016 by the Government's proposal to cap exit costs at £95k and the current differences in voluntary severance programmes for teaching and non-teaching staff.

Members discussed the reclassification of LMS capital monies and were advised on the process whereby a portion of the salary costs of those officers involved in the delivery of capital projects were capitalised. It was noted that the area of Capital reclassification was subject to change as a consequence of the capital programme and that this could result in a further possible pressure or an easement by year end.

Appendix 1 (MEMR as at 30 September 2015) detailed the forecast expenditure to 31 March 2016 as £1,525m which meant a projected overall shortfall of £38m. This included £11.04m at centre and took into account increasing pressures in Rates (£0.198m), classroom assistant growth (£0.329m), recurrent furniture and equipment (£0.319m) and increasing school deficits (£0.317m).

Members were advised that, in addition to the shortfall in the Savings Delivery Plan (£2.3m), those savings considered at this stage to have a high risk of non-achievement were the balance on voluntary severance (£4.9m) and the out-workings of the CYPS transitional framework (£2.618m).

Members noted the estimated requirement of £5.525m for drawdown of school surpluses and were advised that DE had submitted a £5m bid to cover this requirement.

Members also noted that allocations were expected from DE in respect of the projected shortfall of £21.221m for Earmarked Initiatives. Appendix 2* detailed the additional Earmarked allocations (£4.913m) received in September.

A Member drew attention to the significant shift reflected in the restated August MEMR and also expressed concern that the projected shortfall was increasing. The Interim Chief Executive said the shortfall represented 2.5% of the Centre budget. He drew attention to the level of volatility in certain budget areas, eg Transport, and outlined the various actions being taken by senior budget holders to review and contain expenditure. In addition, he referenced that additional capital had been received from DE for minor work projects in the current year which would carry over into the following year in order to complete those projects.

7.2 FURTHER OPPORTUNITIES FOR SAVINGS

Members were advised that reports were being prepared on savings proposals for consideration at the budget workshop on 8 December 2015.

The Change Director outlined various budget areas which had varying levels of potential for savings.

Members expressed concerns that a report detailing savings options had not been presented for the Committee's consideration. It was highlighted that the remaining time to effect savings in year posed a significant challenge. On the proposal of Mrs Lappin, seconded by Mrs Carville, it was agreed that a paper should be presented to the Board at its meeting on 26 November 2015 on options to effect savings. This paper would detail approximately 10 proposals and would itemise the projected savings and the advantages and disadvantages of each. The paper would not preclude options which would require consideration by the Board for savings in the 2016/17 financial year.

Discussion ensued in relation to possible options which could be presented to the Board. The Interim Head of Corporate Human Resources said that severance was one of the elements of bearing down on and reducing staff costs. He also reported on actions taken to date in relation to suppression of vacant posts, ceasing contracts with the majority of agency staff, restrictions on external recruitment imposed by the moratorium and the scrutiny given to additional responsibility allowances. It was agreed that information on posts which had been suppressed would be presented to the Committee.

The Chair indicated that the workshop to be held on 8 December 2015 would consider possible areas of savings for the 2016/17 financial year.

It was noted that the financial systems employed and the processes used to manage key financial documentation were challenging as they were adopted from the separate finance functions within the five sub-regions. The Interim Head of Finance advised that the five Chief Finance Officers continued to deliver the financial services necessary within their respective sub-regions and collaborated to collate information for officer use and for presenting reports to Board Members and DE. He advised that there was currently no dedicated resource from within the sub-regions to support work associated with the Savings Delivery Plan. Members highlighted the critical nature of this work and indicated that this resource should be re-examined.

The Interim Chief Executive reminded Members that the EA had undergone a significant transformation programme with a budget which was less in cash terms on actual expenditure than the previous financial year. Furthermore, the EA had only received ten days' notice of its budget allocation. The EA had already identified savings of approximately £15m within the overall savings required of £26.6m. He reported that DE had been made aware of the EA's challenges and constraints at every stage. He also advised that DE had included a bid in the November monitoring round to meet some of the EA's pressures.

***Action:** Detailed options paper on savings to be presented to the Board in November; information on suppressed posts to be presented to the Committee.*

7.3 DEPARTMENT OF EMPLOYMENT AND LEARNING – REVISED STATEMENT OF FINANCIAL NEED

The Committee noted the report* (FGP/11/15/6.3) which set out the budget provisions made available to the EA and the associated spend as at 30 September 2015. It was pointed out that budgets for DEL services were demand determined with the exception of the fund for FE Awards and would, in the main, be revised in accordance with need. The present year end expenditure forecast was £14.984m.

The Committee also noted that the Interim Chief Executive as Accounting Officer was required to ensure expenditure was contained within the approved limits and that the requirements of propriety, regularity and value for money were observed.

7.4 CAPITAL REPORT : SIX MONTHS TO 30 SEPTEMBER 2015

The Committee noted the capital report* (FGP/11/15/6.4). An outline of anticipated spend within each budget area to year end was provided.

The Chief Finance Officer (NE Region) said that an additional £2m had been received from DE for Minor Works / Other Capital projects. She advised that these monies would be allocated based on the priorities presented in the regions. Every effort would be made to spend this allocation prior to year end.

8. HUMAN RESOURCES

ENDURING TEACHING APPOINTMENTS SCHEME AND SCHEME FOR THE MANAGEMENT OF CONTROLLED SCHOOLS

The Committee noted a paper* (FGP/11/15/7) which reported that a draft Teaching Appointments Scheme and a draft Scheme for the Management of Controlled Schools had issued for consultation on 23 October 2015 to controlled schools and other key groups, as set out in the paper. The closing date was 18 January 2016. The Committee was mindful that the consultation was part of a process to inform an enduring Scheme for Teaching Appointments which was required to be in place prior to the next round of principal and vice-principal recruitment exercises in Spring 2016.

The Interim Head of Corporate Human Resources advised that the working group, established to develop, consult on and seek approval to an Enduring Teaching Appointments Scheme, had comprised representatives from the EA, DE and the Controlled Schools' Support Council. Board Members who had served on a Teaching Appointments Committee during the transition period had been invited to take part in a survey as part of the consultation process. He said that, following the Board's consideration of the final draft Schemes, principals, governors,

officers and assessors would receive training in the new arrangements with specific prioritisation of those schools making principal and vice principal appointments in 2016/17. It was suggested that officers engage with Board Members by means of a workshop to ensure that Members were fully apprised of the process. The workshop would seek to provide clarity on the draft Scheme, allow for consideration of consultation responses and facilitate discussion on the role of a Teaching Appointments Committee.

It was noted that the new Scheme for Teaching Appointments would require to be equality screened as it was a change in policy.

Consideration was given to the timeframe relating to the receipt of consultation responses, preparing final Schemes and presenting the Schemes for Board approval. On the proposal of Fr Bartlett, seconded by Mrs Carville, the Committee agreed to recommend that a workshop on the Teaching Appointments Scheme and process should be convened for all interested Board Members the week commencing 11 January 2016. This would mean that the Schemes would be presented to the Board for consideration at its meeting on 28 January 2016.

Action: *Workshop for Board Members to be convened on the Teaching Appointments Scheme.*

9. OPERATIONS AND ESTATES SERVICES

9.1 TENDERS

On the proposal of Mrs Carville seconded by Fr Bartlett, it was agreed that this item would be discussed in committee.

The Committee considered tender reports* (FGP/11/15/8.1.1 and 8.1.2).

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

The Chair reported that, while in committee, the recommendations concerning the following tenders had been approved:

On the proposal of Mrs Carville, seconded by Mr Pollock:

- *Construction Works*
ITT 30116; ITT 30286; ITT 30296; ITT 30340; ITT 30541; ITT 30560.

On the proposal of Mrs Carville, seconded by Mrs Lappin:

- *Goods and Services*
ITT 70048; ITT 70049; ITT 70057; ITT 70068; ITT 70074.

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

- *Goods and Services*
ITT 70071; 70072; 70078; 70081.

9.2 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/11/15/8.2) containing information in respect of ITT 29201 and the Surrender of Lease for school meals accommodation at Immaculate Conception College.

9.3 LAND AND PROPERTY TRANSACTIONS

**Disposal of the former Hilden Controlled Primary School
Acquisition of additional land at Springfield Primary School**

**Granting / Renewal of Leases at Seymour Hill Controlled Primary School, Dunmurry; Longstone Primary School, Ahoghill; Culcrow Primary School, Aghadowey; St Patrick's College, Ballymena (School Meals Accommodation)
Granting of Licence at the former Newtownabbey Community High School (four Licences)**

Wayleave Agreements at Antrim Primary School (NIE plc); Greenisland Primary School; the former Newtownabbey Community High School; and Willowbridge School, Enniskillen (Wayleave Agreement and Lease of Sub-station)

The Interim Director of Operations and Estates Projects presented the report* (FGP/11/15/8.3). She also drew attention to four additional matters which required consideration for retrospective approval. These included: Wayleave Agreements with NIE plc at Ballymoney High School and Glengormley Integrated Primary School and Wayleave Agreements with BT plc at Leagreen Primary Referral Unit, Glengormley and Newtownabbey Educational Guidance Centre. Members noted the reason for completion of these works as detailed in the paper*.

A Member raised a query in respect of a particular property. Information on this query would be provided directly to the Member.

On the proposal of Rev Herron, seconded by Mrs Carville, the Committee agreed to recommend that the Board should progress the transactions as set out in the paper* and to provide the retrospective approval for the four matters also identified in the paper.

(During discussion of this item, Sir Gerry Loughran left the meeting temporarily at 3.50 pm and re-entered at 3.54 pm.)

Actions: *Transactions approved; response to be provided to Member's query.*

10. CHANGE MANAGEMENT PROCESS

The Chair of the Board said that this item of business had been discussed at the Away Day on 9 November. Consideration would be given as to how best to provide updates to all Members of the Board on progress within the Change Management function.

It was agreed that a progress paper on this matter should be presented to the Committee at its January meeting.

The Change Director summarised the activities undertaken since the establishment of the Education Authority from 1 April 2015 to the present day, taking into account day to day business which was reported at the Governance and Accountability Review meeting and the change programme which was discussed at the Programme Management Board.

Actions: *Progress paper on Change Management to be presented to the Committee; consideration to be given to updating all Board Members on this item.*

11. DATE OF NEXT MEETING

The workshop for all Board Members was 8 December. The Committee would next meet on 12 January 2016.

The meeting ended at 4.05 pm.

Chair

Date

* Paper circulated ** Paper tabled

Action Sheet**Finance and General Purposes Committee : 10 November 2015**

Minute Reference	Actions
5.1	OVERVIEW OF THE CATERING SERVICE Report proposal on school meals abatement to the Committee prior to consultation with JNC. Present JNC Circular 169 to the Committee.
5.2	LAND AND PROPERTY TRANSACTIONS (Assets declared surplus to requirements) Information on Rates and Rates Exemptions to be provided. Every effort to be made to dispose of all properties.
7.2	FURTHER OPTIONS FOR SAVINGS Detailed options paper on savings to be presented to the Board in November. Information on suppressed posts to be presented to the Committee.
8	ENDURING TEACHING APPOINTMENTS SCHEME AND SCHEME FOR THE MANAGEMENT OF CONTROLLED SCHOOLS Workshop for all interested Board Members to be convened on the Teaching Appointments Scheme.
9.3	LAND AND PROPERTY TRANSACTIONS Transactions approved. Response to be provided to Member's query.
10	CHANGE MANAGEMENT PROCESS Progress paper on Change Management to be presented to the Committee in January. Consideration to be given to updating all Board Members on this item.