

**MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 12 JANUARY 2016 AT 1.00 PM IN FORESTVIEW**

**1. PRESENT** Dr I McMorris (Chair)

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

**2. IN ATTENDANCE**

The Interim Chief Executive, the Interim Head of Finance, the Interim Director of Operations and Estates Projects, the Change Director, the Board Support Manager and for part of the meeting the Interim Head of Corporate Human Resources and 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 10 NOVEMBER 2015**

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee approved the minutes\* (FGP/1/16/3) of the meeting held on 10 November 2015.

*(Fr Bartlett entered the meeting at 1.05 pm.)*

**5. MATTERS ARISING FROM THE MINUTES**

**5.1 OVERVIEW OF THE CATERING SERVICE (5.1)**

The Committee noted a report\* (FGP/1/16/4.2) providing information on the number of production kitchens, central kitchens and dining centres, the current arrangements for transporting meals and the associated costs. Discussion ensued in relation to various issues regarding the current arrangements.

It was agreed that the Committee should review this area further and consider possible options for the cost effective transportation of school meals.

The Chair asked for an update on the school meals abatement for school based staff. The Interim Head of Corporate Human Resources said that a recent NI Audit Office report had also raised the issue of the level of the school meals abatement for school based staff. A report would be provided to the Committee on this issue at a future meeting.

**Actions:** *Committee to receive further reports on transporting school meals, in due course, and on the school meals abatement.*

## **5.2 LAND AND PROPERTY TRANSACTIONS – VACANT PROPERTIES (5.2)**

The Committee noted the report\*\* (FGP/1/16/4.4) detailing vacant properties which had been revised to include information on Rates status and values.

The Interim Chief Executive and the Interim Director of Operations and Estates Projects had met officials from DE and the Asset Management Group to discuss vacant EA properties which had complex legal title. The Chair queried the process to pursue high-rated vacant properties. The Interim Chief Executive said that it had been agreed with DE that a resource would be found to pursue those cases. He indicated that the overall EA Rates bill was approximately £35m whereas the Rates bill associated with the properties in the report amounted to less than £300k. Furthermore, the Rates for one property in the report amounted to £144k and a proposal regarding to this property would be discussed later in the meeting. The benefit therefore in disposing of these properties largely related to capital receipts as opposed to savings on the Rates bill.

A Member queried the maintenance and security costs associated with vacant properties. It was agreed that the Committee would be provided with a report on this matter.

***Action:** Report on maintenance and security costs on vacant properties to be provided.*

## **5.3 FURTHER OPTIONS FOR SAVINGS - SUPPRESSION OF VACANT POSTS (7.2)**

The Committee noted the paper\* (FGP/1/16/4.1) setting out information on turnover of staff and, in particular, posts not filled following the departure of members of staff outside the terms of the voluntary severance programme. It was reported that of this cohort 48 posts had not been filled as at 13 November 2015.

It was reported that 187 members of staff had accepted an offer of voluntary severance and would have left the employment of the EA by 31 March 2016, resulting in savings of £1.9m in the current financial year.

The Committee noted that the overall staffing reduction for Headquarters and out-centre staff by 31 March 2016 was in the region of 8% on the previous year's figure.

## **6. CHAIRPERSON'S BUSINESS – START TIME FOR COMMITTEE MEETINGS**

It was agreed that future meetings of the Committee would commence at 2.00 pm.

## **7. FINANCE**

### **7.1 RECURRENT REPORT : EIGHT MONTHS TO 30 NOVEMBER 2015**

The Interim Head of Finance presented the recurrent report\* (FGP/1/16/6.1) detailing spend as at 30 November 2015 and the projected spend to year end (Appendix 1). The report projected a total shortfall of £20.4m which included £16.6m of Earmarked funds. It was anticipated that these earmarked allocations would in the main be received.

Attention was drawn to the fact that schools' actual expenditure to 30 November 2015 and best estimates of projected spend to year end suggested that only £3.346m of schools' surplus drawdown might be required. As £5m had been received from DE to meet this cost, an easement of £1.654m had therefore resulted. As a consequence, DE had requested the EA to review these estimates with a view to surrendering to DFP, subject to its approval, any easement. Following further review of schools' spend in December,

DE had been advised of a £2m easement in this area on 22 December 2015. A decision from DFP was awaited on the matter.

The Interim Head of Finance pointed out that the Centre budget position had changed significantly from that previously reported at the end of September. This was due to additional DE allocations to meet pressures within special education (£5m) and a revision of forecast expenditure across all services due to revised estimates of spend to 31 March 2016.

The projected Centre shortfall was estimated to be £2.488m at 30 November 2015 after taking account of a reduced LMS spend on Capital (£0.8m), additional estimated voluntary severance savings (£0.2m), outstanding corporate budget (£0.863m), un-utilised schools' surplus drawdown (£1.654m) and earmarked pressures if unfunded which could potentially impact on the centre budget (£0.5m).

However, in light of the review requested by DE in late December and the decision to offer as an easement the potential unrequired surplus drawdown of £2m, the £1.654m was not available to the EA in contributing to any pressures on the block grant and as such the shortfall had been revised to £4.142m.

The Chair of the working group on schools' surpluses and deficits advised that a report from the working group would be tabled at the Committee's February meeting.

Appendix 2\* detailed additional Earmarked allocations (£16.867m) received during October and November 2015. The Interim Head of Finance drew attention to the fact that the Maintenance allocation had doubled to £28m and that officers were seeking to ensure full spend by the end of the financial year.

Appendix 3\* detailing spend as at 31 October 2015 was noted. It was pointed out that the reported shortfall of £8.917m did not take account of DE's allocation of £5m in November to cover pressures within special education. This additional allocation had effectively reduced the reported shortfall to £3.917m as at 31 October 2015.

## **7.2 CAPITAL REPORT : EIGHT MONTHS TO 30 NOVEMBER 2015**

The Committee noted the capital report\* (FGP/1/16/6.2) with an overall capital allocation (schools and youth) of £59.401m. An outline of anticipated spend within each budget area to year end was provided.

Slippages and variations in planned Major Works and School Enhancement Programme respectively had been reported to DE each month and the necessary adjustments had been made to the budgets accordingly.

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

The Interim Chief Executive updated the Committee on a legal issue involving an access route to the site for Castle Tower Special School, Ballymena. The Committee noted the actions taken to date in seeking to resolve this matter.

*(Ms Toman left the meeting temporarily at 2.03 pm.)*

## **7.3 CASH FORECASTING**

The Committee noted that the EA was required to provide an annual cash forecast in March for the financial year ahead and to forecast its monthly cash requirements two months in advance of the month in question. The processes, targets and estimates

regarding cash draw down were set out in the paper\* (FGP/1/16/6.3). Members also noted that these targets were included in the EA Business Plan.

*(Ms Toman re-entered the meeting at 2.06 pm.)*

A Member commented on the difficulties in accurately predicting cash requirements on account of the number of schools involved and the payment of school receipts. He received confirmation that the Committee would receive information on the target relating to prompt payment of invoices within the Annual Accounts. The Chair referred to the terms of the current banking contract. It was pointed out that the EA's banking requirements were subject to competitive procurement.

#### **7.4 DEPARTMENT OF EMPLOYMENT AND LEARNING (DEL) – REVISED STATEMENT OF FINANCIAL NEED**

The Committee noted the report\* (FGP/11/15/6.3) which set out a revised requirement of £13.702m as at 30 November 2015 and that the forecast level of spend was within the revised level of provision. The Committee also noted that a final Statement of Financial Need for 2015/16 would be submitted to DEL by 26 February 2016 and that an initial Statement of Financial Need for 2016/17 would be submitted to DEL for 29 January 2016.

#### **7.5 RECOVERY OF OVERPAYMENT OF TEACHERS' PAY**

The Committee noted a paper\* (FGP/1/16/6.5) setting out details of revised recovery procedures on overpayments to teachers as administered by DE Teachers' Salaries Branch. It was also noted that Management Side of the Teachers' Negotiating Committee would agree a common policy with DE, on behalf of all employers of teaching staff, on the recovery processes to be operated by DE.

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend the endorsement of the revised procedures\* (Appendix A) on the Recovery of Overpayment of Teachers' Pay.

### **8. HUMAN RESOURCES**

#### **EQUAL PAY CLAIM**

The Committee noted the paper\* (FGP/1/16/7.1) providing details of tribunal proceedings being instituted against the EA and the action taken to address the situation.

### **9. OPERATIONS AND ESTATES SERVICES**

#### **9.1 PROCUREMENT OF CAPITAL CONSTRUCTION WORKS : PRESENTATION**

The Head of Property and Planning Services (SE region) gave a presentation on the processes involved in procuring capital construction works within the controlled and non-controlled sectors, the funding streams available and the procurement routes.

A Member queried the determination of an Assessment Panel to award an ITT on the basis of weightings, ie quality versus cost. It was pointed out that the guidance set down by the Centre for Procurement Directorate (CPD) identified a weighting of at least 30% against design as part of the assessment process. This weighting could increase to 35% or 40% depending on the technical specification of the capital work. It was noted that the Assessment Panel comprised experienced EA officers.

Clarity was sought on the monitoring of capital works to ensure quality. It was pointed out that a Project Board and a Project Team were established to oversee major works. The Project Board comprised an EA officer (the project manager), school governors, a DE official and in some cases a CPD representative. The EA also had the facility to employ an external project manager to oversee major capital works. Major works in the non-controlled sector were largely managed by DE and the appointment of a project manager was agreed by the Trustees of maintained schools or by the governors of voluntary grammar schools. Again, a CPD official could be involved in those schemes. It was noted that some voluntary grammar schools had previously asked the former education and library boards to oversee projects on their behalf.

Discussion ensued in relation to the design and quality of new builds, the quality of workmanship and the resources available to the EA for new capital projects. The overriding factor remained that all young people should have access to excellent provision in fit for purpose buildings.

The Committee noted that the EA had previously been accredited as a Centre of Procurement Expertise (CoPE) status from the CPD with regard to Goods and Services and that a target had been set to achieve CoPE status for Construction Works. A Member queried the role of CPD in overseeing capital works should the EA achieve CoPE status for Construction Works. It was pointed out that the EA would have autonomy to manage its operations within this area; however, the CPD was available to provide assistance if required. The Committee noted that a job description for an EA project manager to take forward CoPE status for Construction Works was currently being examined for job evaluation purposes.

## **9.2 TENDERS**

On the proposal of Ms O'Connor, seconded by Mr Pollock, it was agreed that this item would be discussed in committee.

The Committee considered tender reports\* (FGP/1/16/8.2.1 and 8.2.2).

On the proposal of Ms O'Connor, 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 Rev Herron, seconded by Mr Pollock:

- *Construction Works*  
ITT 29078; ITT 180849; ITT 195681; EANI 84/189872; EANI 69/15882; EANI 78/188276; EANI 81/189474; CfT EANI 45; CfT EANI 58; CfT EANI 82; and CfT EANI 86.

On the proposal of Mrs Carville, seconded by Ms Gowan:

- *Goods and Services*  
ITT 70091.

*(Ms Toman left the meeting temporarily at 3.21 pm.)*

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

- *Goods and Services*  
ITT 70061; ITT 70085; and 30285A.

### 9.3 CONTRACT DOCUMENTS

The Committee noted the paper\* (FGP/1/16/8.3) containing information in respect of ITT 30011; ITT 30069; ITT 30116; ITT 30286 and ITT 30541.

### 9.4 LAND AND PROPERTY TRANSACTIONS

*(Ms Toman re-entered the meeting at 3.25 pm.)*

**Disposal of Assets: Former Kindle Integrated Primary School, Ballykinler**  
**Acquisition of Assets: Strabane Academy Grammar School – Land Registry Transfer form**

**Wayleave Agreements: Clandeboye Primary School (NI Water), Bangor; Priory Integrated College, Holywood (private developer)**

**Approval to discontinue a historic right of way: Bangor Central Integrated Primary School and Bangor Central Nursery School**

The Interim Director of Operations and Estates Projects detailed the various recommendations set out in the report\* (FGP/1/16/9.4).

On the proposal of Mrs Carville, seconded by Mr Pollock, the Committee agreed to recommend that the Board should progress the transactions as set out in the paper\*.

**Action:** *Transactions approved.*

### 9.5 BUSINESS CASES

#### 9.5.1 FORMER BALLEE COMMUNITY HIGH SCHOOL – CONSIDERATION OF POTENTIAL FUTURE USE

The Committee considered a paper\* (FGP/1/16/8.5.1) setting out current office locations for staff in Ballymena and a summary of the business case options to maximise the existing estate in Ballymena and to reduce the need for leased accommodation. Members received clarification that the summary of costs associated with each of the options related to a five year period.

The business case had recommended option 3 as the preferred option which was to relocate all services from County Hall and Ballymoney Street to Ballee. DE had also earmarked a capital allocation of £480k for the Ballee Centre project.

A Member stated that the business case should reflect the number of staff transferring to Ballee, particularly in light of a reduced workforce, and the long term use of the building. A Member acknowledged the immediate requirement to review office accommodation in the area. She considered however that former schools did not provide a favourable office environment.

The Interim Chief Executive said that the preferred option would provide for immediate revenue savings in 2016/17. The business case for Ballee had not taken account of further staff reductions; however, this could be further factored in. He pointed out that the cost identified against the preferred option, including relocation costs, would be discounted over the five year period.

The Committee noted the business case.

*(Fr Bartlett left the meeting at 3.48 pm.)*

### **9.5.2 DUNCLUG COLLEGE, BALLYMENA – CAPITAL WORKS**

The Committee considered an executive summary\* (FGP/1/16/8.5.2) of the business case for a new build at Dunclug College which detailed six options for consideration including information on the evaluation of the costs, benefits and risk assessments associated with each option.

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend that the Board should proceed with Option 4, ie to construct a new secondary school on the existing site.

### **9.6 ACCOMMODATION – FORESTVIEW**

The Change Director advised that the Executive in July 2013 had agreed that arrangements concerning all public sector accommodation would reside with the Asset Management Unit within DFP. In August 2015 a DFP DAO letter had been received requiring public authorities to seek approval from the DFP for the leasing of all accommodation. Approval had subsequently been sought from DFP to extend the tenure at Forestview to 30 April 2016. In July 2015 the EA had also issued the landlord at Forestview with notice to vacate the premises.

The Change Director advised that officers had examined office accommodation at Academy Street, Belfast and Grahamsbridge Road, Dundonald and had deemed these premises to have insufficient space for the current requirements of Forestview staff. Officers had subsequently considered other EA properties in the locality and were liaising with the Asset Management Unit on available public sector accommodation. One suitable building had been identified in the city centre.

Queries were raised with regard to car parking and suitable meeting accommodation for Members at the city centre location. It was pointed out that DFP did not place a value on car parking in city centre locations.

The Chair requested the Change Director to further scrutinise office accommodation in the Belfast area and to present a range of options to the Committee. This was agreed.

***Action:** Report setting out a range of options for office accommodation to be presented to Committee.*

## **10. ANY OTHER NOTIFIED BUSINESS - 2016/17 BUDGET**

A Member queried when schools could expect to receive notification of their 2016/17 budget allocations. The Interim Head of Finance said that it was anticipated that budgets would issue to schools in late February. He said that the DE Director of Finance had indicated that he would be seeking a meeting with the Interim Chief Executive in the near future to discuss budget planning matters for 2016/17. It was hoped that this engagement would allow the EA to share its concerns in advance of the Minister's considerations with regard to the 2016/17 budget allocations.

## **11. DATE OF NEXT MEETING**

The next meeting was scheduled for 2 February 2016 at 2.00 pm.

The meeting ended at 4.30 pm.

Chair \_\_\_\_\_

Date \_\_\_\_\_

\* Paper circulated    \*\* Paper tabled

## Action Sheet

Finance and General Purposes Committee : 12 January 2016

Minute Reference	Actions
5.1	<b>Overview of the Catering Service</b> Committee to receive further reports on transporting school meals, in due course, and on the school meals abatement.
5.2	<b>Land and Property Transactions- Vacant Properties</b> Report on maintenance and security costs on vacant properties to be provided.
9.6	<b>Accommodation – Forestview</b> Report setting out a range of options for office accommodation to be presented to Committee.