

# MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 3 OCTOBER 2017 AT 2.00 PM IN ANTRIM BOARD CENTRE

## 1. PRESENT

Mr J Craig	Dr I McMorris
Mr G Doran	Ms S O'Connor
Rev R Herron	Mr R Pollock
Sir Gerry Loughran	Ms N Toman

## 2. IN ATTENDANCE

Mr G Boyd, Mr J Collings, Mrs C Duffield, Mrs S Long, Mrs S McCartan, Ms L McCall and for part of the meeting Mr R McGreevy and Mr T May.

## 3. OFFICE OF CHAIR

Mr Boyd said that the Board at its meeting on 28 September had agreed a way forward on the appointment of committee chairs. He reminded Members that this agreement was in draft form until the minutes were approved by the Board at its meeting on 26 October 2017. The Board had agreed:

- that the current Committee structure would remain;
- that it would endorse the existing Committee chairs for the remainder of the term of the EA Board; and
- in endorsing those Committee chairs, it would review Standing Order 10.3 before the end of the term of the current Board to ensure that the methodology for appointing Committee chairs was consistent with best practice.

A Member expressed concern that the Board decision taken in August 2015 might impact on the EA's responsibilities with regard to Sections 75 and 76 of the Northern Ireland Act 1998. She wished to be clear about the terms of the methodology for appointing Committee chairs, the information provided to Members around the appointment of chairs, and she preferred if there was consensus among Members as to the approach to be taken. The Member wished to record that she was not in a position to take on the role of a Committee chair. She indicated that during the Board Member appraisal process, she had not been consulted on her willingness to serve as a chair.

*(Mr Pollock entered the meeting at 2.10 pm.)*

The Chair of the Board said that this matter had been discussed at the Board meeting on 28 September and an approach had been agreed as to the way forward, as outlined earlier in the meeting. She said that she would seek advice from Legal Services and from the Head of Equality as to the actions taken. She advised that she had engaged with the current Committee chairs during the recent Board Member appraisal process in order to ascertain their preparedness for continuing to serve as chairs.

The Member said that the implications of Standing Order 10.3 had not been fully explored when the Standing Orders had been approved by the Board. She was concerned that Standing Order 10.3 was effectively preventing individuals who had been nominated by political parties to be appointed as a Committee chair. The Member queried if equality screening had been carried out with regard to this Standing Order.

Mr Boyd said that legal advice had been taken at the time of drawing up the Standing Orders. Each Committee was now being asked to affirm the Board's decision taken on 28 September 2017.

Dr McMorris confirmed that he was willing to be re-elected as Chair on the provision that he had the support of the Committee Members.

Mr Craig proposed that, based on the Board's decision to endorse the existing Committee chairs for the remainder of the term of the EA Board and, in doing so, to review Standing Order 10.3 before the end of the term of the current Board to ensure that the appointment of Committee chairs was consistent with best practice, Dr I McMorris should be confirmed in office. This proposal was seconded by Miss Rainey. In the absence of any further proposals, Dr McMorris was confirmed in office of chair.

The Member wished to record that Dr McMorris had her full confidence in the office of chair. She could not endorse the appointment however due to her reservations regarding the process.

#### **4. APOLOGIES**

Apologies had been received from Mrs P Carville and Mrs M Culbert.

#### **5. DECLARATIONS OF INTEREST**

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

#### **6. MINUTES OF MEETING HELD ON 5 SEPTEMBER 2017**

The minutes\* (FGP/10/17/4) of the meeting held on 5 September 2017 were approved as an accurate record on the proposal of Mr Craig, seconded by Ms O'Connor.

#### **7. MATTERS ARISING FROM THE MINUTES**

##### **7.1 TRANSPORT (7.1)**

This matter had been considered by the Board at its meeting on 28 September 2017.

##### **7.2 UNREASONABLE COMPLAINTS PROCEDURE (8)**

A Member sought and received confirmation that the amendment agreed to the procedure had been incorporated into the framework of the procedure. A report on the out-workings of the new procedure would be provided to the Committee in six months' time.

##### **7.3 SCHOOLS' FINANCIAL POSITION 2017/18 (10.1)**

A report on the number of schools unable to live within their common funding formula allocation would be provided later in the meeting.

## 8. CHAIR'S BUSINESS

### 8.1 MATTER REFERRED FROM THE EDUCATION COMMITTEE - EUROPEAN FUNDED PROGRAMMES

The Chair reported that a paper on this matter would be presented to the Board at its meeting on 26 October 2017.

### 8.2 MATTERS REFERRED FROM THE SEPTEMBER BOARD MEETING

#### 8.2.1 LICENSING REQUIREMENTS - SCHOOL MINIBUSES

Ms Long said that, on the basis of advice given directly by senior officials in the Department of Infrastructure (DoI), the EA had written to all schools at the start of June to advise that there was a change in the interpretation of the licensing requirements for school based staff driving minibuses. The DoI advice had clearly set out that all school based staff who drove minibuses as part of their duties without the appropriate class of driving licence were not properly licensed.

Ms Long said that the Permanent Secretary of the DoI had written to the Permanent Secretary of DE to state that, given the significant interest in this matter, the DoI would consult formally on the implementation of the guidance that was due to come into effect in January 2018 and that enforcement would change at the point in time when the guidance took effect. Ms Long confirmed that EA officers were continuing to meet with DoI and DE officials to come to a resolution on this matter.

Members noted that the consultation had commenced on 27 September 2017. Members expressed deepest concerns at the implications of a change in the interpretation of the licensing requirements on schools. They noted in particular it would have a profound impact on the Entitlement Framework, extra-curricular activities and the general enrichment provided by schools, including school trips.

A Member drew attention to the consideration given to this matter by sectoral partners. It was considered that the EA should take the lead with the DoI in order to resolve this matter.

On the proposal of Sir Gerry Loughran, seconded by Mr Craig, the Committee agreed that EA officers would, in conjunction with DE and the educational spokespersons of political parties, make appropriate representation to DoI in order to change the regulations.

**Action:** *Officers in conjunction with DE and the educational spokespersons of political parties, to make appropriate representation to DoI in order to change the regulation.*

#### 8.2.2 WORKING GROUP ON SCHOOL SURPLUSES AND DEFICITS

The Chair said that the final report and action plan of the Working Group on School Surpluses and Deficits had been considered by the Board at its meeting on 15 December 2016. He considered that a progress report on the action plan should be provided to the Committee at its next meeting. This was agreed.

**Action:** *Report on progress against the action plan on School Surpluses and Deficits to be provided to the Committee at its next meeting.*

### **8.2.3 MINOR CAPITAL WORKS PROGRAMME**

A report on this matter would be provided to the Committee at its next meeting.

*Action: Report to be provided to the Committee at its next meeting on the Minor Works Programme.*

### **8.3 FREE SCHOOL MEALS**

A Member queried the impact of the recent change in entitlement on Free School Meals. She was particularly concerned of its impact on low income families. Ms Long undertook to monitor and report back any identified impact.

*Action: Monitor and report back any identified impact.*

## **9. HUMAN RESOURCES**

### **9.1 PUBLIC SECTOR SHARED SERVICES PROGRAMME**

The Chair welcomed Mr C Doran, Director of the Public Sector Shared Services Programme, to the meeting.

The Committee noted the Programme's vision was "collaboratively optimising shared services to enable excellent public service delivery".

In a presentation\*\*, Mr Doran detailed the mandate for the Programme, the proposed strategic outcomes, its governance structure, progress to date including stakeholder engagement and benchmarking of data. Through engagement, further data analysis would be carried out to produce an implementation plan by March 2018.

Members expressed interest in the direction and pace of travel. Exemplars of best practice within the region and elsewhere were discussed. Mr Doran said that the Programme sought to gather as much research as possible, including experiences which had been problematic. A Member said that the programme should be designed to be adaptable so as to ensure its deliverability in future years. A Member commented that, as far as possible, delegation of service should be a Programme objective.

The Chair thanked Mr Doran for his presentation. Mr Doran withdrew from the meeting.

*(During the presentation and discussion, Ms Toman left the meeting at 2.55 pm, re-entered at 2.59 pm, left at 3.10 pm and re-entered at 3.20 pm.)*

A Member queried whether the Programme had potential to improve the partnership between Education and Health. She was particularly mindful of the statementing process and the associated statutory timeframe for their completion. Mr Boyd said that statements contained personal data and would not fall within the scope of the Programme. He advised that, in the main, delays in the statementing process occurred when assessments and advices were awaited from Health professionals and Psychologists. He drew attention however to advantages of moving forward with advanced IT capabilities between public sector organisations.

### **9.2 JNC CIRCULARS**

#### **9.2.1 DIGNITY AT WORK POLICY AND CODE OF PRACTICE**

Mr McGreevy presented the draft Dignity at Work Policy and Code of Practice\* (FGP/10/27/7.2.1) which had been updated to reflect best practice. He advised

that this policy would apply to all staff with the exception of teaching staff in controlled schools and non-teaching staff employed by the EA in controlled and maintained schools for whom separate arrangements applied.

Mr McGreevy said that the draft policy had been agreed by Management Side and Trade Union Side. It had been equality screened and, as no issues had been identified, it did not require an EQIA.

A Member asked if this policy applied to Board Members. Mr Boyd said that the policy represented best practice for all employees. He would ascertain whether Board Members were classified as employees of the EA.

On the proposal of Mr Pollock, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the Dignity at Work Policy and Code of Practice.

***Action:** Ascertain whether Board Members are classified as employees of the EA.*

### **9.2.2 PARENTAL LEAVE POLICIES (incorporating Maternity Scheme, Paternity Scheme, Adoption Scheme, Parental Scheme, Shared Parental Leave Scheme)**

Mr McGreevy presented the draft Parental Leave Policies\* (FGP/10/17/7.2.2) which had been updated to reflect legislative changes and the introduction of the Shared Parental Leave Scheme.

Mr McGreevy said that the draft Policies had been agreed by Management Side and Trade Union Side. They had been equality screened and, as no issues had been identified, they did not require an EQIA.

On the proposal of Mr Pollock, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the Parental Leave Policies.

### **9.3 OUTSTANDING REQUESTS FOR JOB EVALUATIONS**

Mr May presented a paper\* (FGP/10/17/7.3) setting out background information on the job evaluation scheme, the number of outstanding requests for re-evaluation including estimated costs, and recommendations in order to resolve the matter. It was noted that the majority of the outstanding requests for re-evaluation had arisen in the legacy organisations.

The Committee noted the total number of staff awaiting re-evaluation and the associated financial risk.

Members discussed the proposed actions contained in the paper, terms and conditions of staff, retrospective payments, and consistency in application of criteria of the job evaluation scheme across the Directorates.

On the proposal of Ms O'Connor, seconded by Mr Pollock, the Committee agreed to recommend that the Board should adopt the recommendations contained in the paper in order to resolve the matters relating to outstanding job evaluations.

### **9.4 TEACHER INDUSTRIAL ACTION - UPDATE**

Mrs Duffield said that industrial action short of strike action had been initiated by the Trade Unions in 2011 and had been ongoing in various forms since that time. Trade Union activity had escalated approximately one year ago. She said that teachers, within their terms and conditions of employment, were required to participate in 1,265 hours

directed time each year. Action short of strike action had impacted on a range of activities that were included within those 1,265 hours. She said that the EA and the other employers were concerned about the detrimental effect of the ongoing action in schools and on the education of children and young people. The employing authorities were therefore committed to bring the matter to a conclusion as quickly as possible. The areas under consideration were pay, workload and accountability, and the role and approach of the ETI.

Mrs Duffield said that officers had met with principals and had received detailed feedback on the impact of action short of strike action in schools. An overview of the non-compliance of schools to the 1,265 hours directed time was provided. She said that Management Side was now considering options to conclude the matter. The ongoing breach of contract could not be allowed to continue.

Mr Boyd said that good progress had been made in respect of the issues relating to the workload and accountability and the ETI. However, there was no agreement around pay. He highlighted that Executive Pay Policy was being reviewed in the wider context.

A Member queried the ability to quantify non-compliance against directed time. Mr Boyd said that a detailed analysis had been carried out based on teachers' regulations. He outlined a range of duties impacted by action short of strike action which included activities such as parent / teacher meetings and departmental meetings.

The Committee noted the report.

## **10. DRAFT EA BUSINESS PLAN**

*(Rev Herron and Ms Toman left the meeting temporarily at 3.52 pm.)*

Ms Long presented the draft Business Plan\* (FGP/10/17/8) which set out the EA's strategic priorities, the 10 year outcomes for 2017-27, the 3 year objectives for 2017-20 and the corporate goals for 2017-18. It aligned to the draft Programme for Government and to DE's corporate goals.

It was noted that a Corporate Planning and Performance Group had been established comprising representatives from all the EA directorates. This group would oversee the production of annual business plans at corporate, directorate and functional levels.

Ms Long said that DE was content with the Business Plan on the condition that appropriate detail was provided within individual directorate plans.

On the proposal of Mr Pollock, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the Business Plan.

## **11. FINANCE**

### **11.1 2017/18 FINANCIAL POSITION**

#### **RECURRENT REPORT : FIVE MONTHS TO 31 AUGUST 2017**

*(Rev Herron and Ms Toman re-entered the meeting at 3.56 pm.)*

Mrs McCartan presented the financial forecasts as shown in the paper\* (FGP/10/17/9.1) including the MEMR\* (Appendix 1).

Mrs McCartan said that the latest full year financial position was an estimated recurrent expenditure of £1,839m, excluding Youth, against an initial DE schools' recurrent budget

allocation for 2017/18 of £1,791m, with a funding gap or overspend against the EA Block Grant of £47.542m. She pointed out that this represented an increase of almost £6m on the funding gap previously reported and reflected the departure from a minimum scenario to reflect best estimates of known and emerging pressures. These pressures related to rising costs associated with special educational needs (estimated £3.7m), pupil support (estimated £1.3m) and Headquarters' costs (estimated £1.8m) and offset by other minor easements (estimated £1.5m). Estimated pressures within the Headquarters' budget included Voluntary Grammar / Grant Maintained Integrated staff costs, EA staff costs and costs of licences.

Mrs McCartan said that a number of risks that had been highlighted in the EA maximum estimated requirement were now starting to emerge and these had been notified to DE. If these risks were to crystallise, the estimated funding gap or overspend could increase to an estimated £61m. These risks related to apprenticeship levy costs (estimated £3.9m), rising school deficits, and a potential shortfall on budget transferred to the EA in relation to VG / GMI schools (estimated between £4m and £7m).

A Member expressed concern that the VG / GMI budget transfer to the EA did not adequately meet requirements. Mr Boyd said that officers were working with DE officials to examine additional expenses incurred during the year.

The Earmarked allocation was £89.682m with a projected £109k estimated pressure on this budget. It was noted that the current budget allocation for Maintenance (£14m) was deemed to be insufficient to meet in year requirements and that officers were highlighting to DE the pressures on Maintenance (estimated £6.5m for statutory testing and £6m for high priority works). Mrs McCartan said that the EA had been asked to manage Maintenance within its in year allocation.

The DE Youth allocation was £32.641m. It was anticipated that this budget would come in on target at year end.

The Aggregated Schools' Budget was £1,167,500k. Mrs McCartan said that officers were currently engaging with schools on their 2017/18 financial plans. Schools had been advised that they were to remain within their common funding formula allocation in year, ie not to increase their deficit position. Schools had also been requested to submit their three year financial plans to the EA in August.

Mrs McCartan said that 62% of schools had submitted budgetary plans. She provided the following analysis of school profiles based on budgetary plans received to date:

**Schools in a deficit position greater than 5% / £75k - 168 schools**

- Plans received from 165 schools
- 44 schools living within their CFF allocation
- 121 schools not living within their CFF allocation, contributing to an in year estimated deficit of £12.4m

**Schools in deficit / surplus less than 5% / £75k - 402 schools**

- Draft plans received from 206 schools
- 80 schools living within their CFF allocation
- 126 schools not living within their CFF allocation, contributing to an in year estimated deficit of £1.9m

**Schools in a surplus position greater than 5% / £75k - 456 schools**

- Plans received from 238 schools

- 40 schools living within their CFF allocation
- 198 schools not living within their CFF allocation, contributing to an in year variance of £7m

The Chair of the Board said that, at the GAR meeting on 21 June 2017, the Permanent Secretary had discussed at length schools' declining financial position and rising school deficits. The next GAR meeting was due to take place on 7 November 2017. She expressed concern that the rising school deficit of an estimated £12.4m was being driven mainly by schools with no recovery plan.

Members noted with deep concern the significant impact of rising school deficits on the EA Block Grant. They acknowledged that, given the range of structural matters including the nature of delegated authority to schools to manage their own budgets and the continuing increases in demand for services, the EA was unlikely to live within its present recurrent budget in the current year without access to additional resources. Members discussed challenges associated with the Sustainable Schools' Policy, the entitlement framework and pupil teacher ratios. A Member referred to concerns raised by schools in respect of the communication received on the requirement for schools to live within their in year CFF allocation. She was mindful of policy direction set by previous Ministers on school surplus drawdown. She expressed concern that DE had indicated that it was assuming a level of school surplus drawdown in the current year and that there should be no expectation that any further bids would be met in year for school surplus drawdown beyond DE's level of allocation.

A Member highlighted the need for clear and open communication with politicians and the wider community on the EA's challenging financial position.

*(Ms O'Connor left the meeting temporarily at 4.23 pm.)*

## **11.2 CAPITAL REPORT - FIVE MONTHS TO 31 AUGUST 2017**

The Committee noted the capital report\* (FGP/10/17/9.2) detailing spend as at 31 August 2017 (£17.141m) within the overall capital allocation (schools and youth) of £65.106m.

*(Ms O'Connor re-entered the meeting at 4.25 pm.)*

Mrs McCartan provided an overview of individual budget lines, advising where pressures and / or easements had been declared and approved by DE. She advised that officers were undertaking a review of ICT funding requirements for 2017/18 and the following two year period. This report would be forwarded to DE. It was noted that no allocation had yet been received for Transport. A business case was currently being prepared for DE regarding funding and home to school transport requirements.

Mrs McCartan said that capital allocations and spend profiles continued to be carefully monitored.

## **11.3 REPORT ON LOSSES - COMPARATIVE INFORMATION 2015/16 AND 2016/17**

Mrs McCartan presented the report\* (FGP/9/17/9.3) which set out comparative information on losses by category across 2015/16 and 2016/17. It was noted that the losses reported in 2016/17 were 17% lower than those reported in 2015/16 with the main reductions occurring within cash losses, claims abandoned and fruitless payments.

The Committee noted the report.

## 11.4 LMS SCHOOLS - REPORT ON SCHOOLS IN DEFICIT

A report on this issue had been reported earlier in the meeting (under minute 11.1).

## 12. OPERATIONS AND ESTATES SERVICES

### LAND AND PROPERTY TRANSACTIONS

Granting of Licence: Fortwilliam Resource Centre

Title Rectification: Delamont Outdoor Education Centre

Granting / Renewal of Leases: Culcrow Primary School, Aghadowey; and STEM Truck Garage and Storage Accommodation

Ms Long detailed the recommendations set out in the report\* (FGP/10/17/10.1).

Discussion ensued on the request regarding the granting of a temporary licence at Fortwilliam Resource Centre. Members were in agreement that this arrangement would be limited to a 12 month period due to the EA's potential development needs.

On the proposal of Mr Pollock, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the transactions in the report.

*Ms Toman left the meeting at 4.35 pm.*

## 13. ANY OTHER NOTIFIED BUSINESS

### TRANSFORMATION PROGRAMME BOARD MEMBER SUB-GROUP

The Board, at its meeting on 28 September 2017, had agreed that the Transformation Programme Board Member Sub-Group would comprise one representative from each of the EA Committees plus any other interested Members.

On the proposal of Ms O'Connor, seconded by Rev Herron, the Committee appointed Dr I McMorris to serve on the Transformation Programme Board Member Sub-Group.

**Action:** *Dr I McMorris to serve on the Transformation Programme Board Member Sub-Group.*

## 14. DATE OF NEXT MEETING

The next meeting would be held on 7 November 2017.

The meeting ended at 4.38 pm.

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Chair

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Date

\* Paper circulated