

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 4 APRIL 2017 AT 2.00 PM IN ANTRIM BOARD CENTRE

1. PRESENT Dr I McMorris (Chair)

Mrs P Carville Ms S O'Connor
Rev R Herron Mr R Pollock
Sir Gerry Loughran

Mr J Craig, Mr G Doran and Mr O McMullan were in attendance.

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mr J Collings, Mrs C Duffield, Ms S Long, Mr P O'Neill, Ms L McCall and for part of the meeting Mr C Daly and Mr D Hanna.

3. WELCOME

The Chair of the Board advised that the eight political members had been appointed to the Board on 3 April 2017. She welcomed Mr O McMullan to the Authority and to his first Committee meeting. She also welcomed Mr J Craig and Mr G Doran as returning members.

The Chair of the Committee welcomed the political members to the meeting.

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 7 MARCH 2017

The minutes* (FGP/3/17/3) of the meeting held on 7 March 2017 were approved as an accurate record on the proposal of Rev Herron, seconded by Mr Pollock.

6. MATTERS ARISING FROM THE MINUTES

6.1 TENDERS (10.1)

Following the query raised at the Committee's March meeting, the Chair clarified the criteria for a pre-served library book.

6.2 LAND AND PROPERTY TRANSACTIONS (10.3)

The Chair reported that the queries raised in respect of Kilkeel High School and the High School, Ballynahinch had been addressed to the satisfaction of the two Members. These transactions had been approved by the Board at its meeting on 30 March 2017.

7. OPERATIONS AND ESTATES

HOME TO SCHOOL TRANSPORT ASSISTANCE - FACILITY FOR ONLINE APPLICATION

The Chair received the Committee's agreement to consider this matter as the first item of business.

Ms Long said that parents would be able to apply for transport assistance using the new online app for the school year starting in September 2017. The online app would enable parents to be informed immediately on the eligibility of transport assistance for their child based on current transport policy and rules. She pointed out that the online app would replace the existing paper application.

Mr Hanna outlined the arrangements to pilot the online application. He advised that the online app would go live on 2 May 2017 to coincide with the application process for primary school pupils and on 1 June 2017 to coincide with the application process for post primary school pupils. Parents would subsequently receive a letter to confirm the offer within 20 working days. He said that the intention was to integrate this system with the new Capita system for the following school year in order to facilitate improved management information.

It was pointed out that the online application supported the Programme for Government on digital transformation.

Mr Daly provided a demonstration of the new app. The online facility enabled parents to confirm their address accurately and provided an interactive view on pupils' allocated bus routes and bus stops should they be eligible to be allocated an EA operated service. He pointed out that the app was also designed for mobile and tablet touch screens. He explained the new Geographical Information Systems technology, the work involved with the new spatial data showing roads and walking routes, and the new school rules matrix.

Members welcomed the innovative application process.

A Member said that the procedure had previously required a school principal to confirm a pupil's attendance at that school before transport assistance could be provided. Mr Daly advised that this confirmation would be checked in-house following the receipt of the online app. For the 2018/19 school year, this checking mechanism would be built into the online process.

Some Members queried the facility for parents to make an application for transport assistance where they were unable to access the new provision online or where they lived in areas with poor broadband coverage. Officers advised that a dedicated phone line had been established in order to facilitate parents in these circumstances.

8. FINANCE

8.1 RECURRENT REPORT : ELEVEN MONTHS TO 28 FEBRUARY 2017

Miss Bill presented the recurrent report* (FGP/4/17/6.1) detailing spend as at 28 February 2017 and the projected spend to year end (Appendix 1).

The allocation for Schools' Delegated Budgets was £904.582m. The Committee noted the pressure of £4.222m in this area which reflected the bid submitted as part of January monitoring of £5m for surplus drawdown less updated estimated savings. It was noted that officers would continue to monitor spend in this area carefully and engage with DE officials on its management to year end.

The Earmarked allocation was £62.521m. The Committee noted the projected £11.176m pressure on the Earmarked budget which related to estimated costs associated with the release of non-teaching staff through the voluntary exit scheme (£8.5m) and an estimated pressure within School Maintenance (£2.6m). It was anticipated that the costs associated with the voluntary exit scheme would be met in full by DE. Members noted that actions

were being taken to minimise spend on Maintenance. The estimated pressure had reduced to £2.6m after an estimated £1.6m reduction where it was deemed that this could be funded from capital as the work could result in improved performance rather than a repair.

The Committee noted the receipt of some additional adjustments in February. This included an allocation of £104k to Schools' Delegated Budgets for additional nursery places and an additional £3.471m Earmarked allocation including £3.310m to cover shared education costs.

Appendix 2* detailed the total monies available to DE Schools (£1,469.507m) and DE Youth (£34.041m).

The EA Block Grant showed an estimated overspend of £7.773m based on the information and assumptions available. This included pressures after savings had been applied in the areas of Special Schools (£548k) and resources held at centre (£11.805m). These pressures were mainly in service lines where the EA had submitted pressures as part of January monitoring. It was noted that the overall pressure had increased from January due to the removal of an estimated £8m of savings for deficits being treated as advances following ongoing queries from DE. Miss Bill said that this reduction could be offset by a potential increase in estimated savings. This had been based on notification from DE. Miss Bill said that the overall pressure had been offset by a potential increase in the estimate of closing stock. A Member queried the impact of closing stock on the schools' budgetary position. Miss Bill explained the position and confirmed that the associated risks and dependencies had been discussed with DE.

Appendices 3* and 4* detailed the estimated savings of £35.181m which had been applied to the EA Block Grant. These included savings of £10.669m based on the August 2016 long list of savings estimates and savings of £24.512m based on the decisions taken by the Board on 24 November 2016.

The DE Youth allocation was £34.041m. This budget was anticipated to come in on target at year end. It was noted that the DE Youth capital budget was being forecast to be overspent. However this did not reflect an additional £1.5m allocation received in March.

Miss Bill outlined other measures to mitigate against potential budgetary pressures. These included monitoring of schools' outturn positions, year end outturns, consideration of other areas for using capital as a one off measure, bearing down on all costs, and discussions with the PPP /PFI provider. She updated Members that at the last meeting with DE officials, the Authority had been asked to find a further £13m savings. She confirmed that officers had advised DE officials of the significant difficulty with this and that the EA would continue to engage with DE officials on managing the potential budgetary pressure.

An outline of the planning and management of year end processes for accounts preparation was provided. The Committee noted the challenges associated with producing the first draft of the accounts to the deadline of 15 May 2017 on the new finance system and the challenges associated with the current political and budgetary situation. Miss Bill said that the NIAO had indicated that all non-departmental public bodies and agencies could potentially have a qualification to their accounts as a result of the current political situation. However, this would reflect the current situation.

The Committee noted the estimated recurrent outturn shortfall of £23.240m. This figure was expected to reduce by £8.5m as DE had indicated that it would meet the costs associated with the voluntary exit scheme and thus reduce the estimated overspend to £14.740m. Miss Bill advised that the EA continued to proceed at significant financial risk and would monitor the situation closely to the year end including spending outturns and savings.

8.2 CAPITAL REPORT : ELEVEN MONTHS TO 28 FEBRUARY 2017

The Committee noted the capital report* (FGP/4/17/6.2) detailing spend as at 28 February 2017 (£58.442m) within the overall capital allocation (schools and youth) of £92.413m. The Committee noted an increase in the overall budget of £4.828m on the previous month and the £5.653m spend that had occurred since the previous month.

Miss Bill provided an update on individual budget lines, advising where pressures and easements had been declared and approved by DE.

The Committee noted that, based on the information available, it was anticipated that all budget lines would be fully spent by 31 March 2017 with the exception of the Fresh Start Agreement - Shared Campuses budget where the budget had been re-profiled and in the area of furniture and equipment at a special school where the position had been noted by DE. It was noted that the additional allocation of £5m to Minor Works / Other Capital had been confirmed by DE on 28 February 2017 and that plans were in place to spend this additional allocation.

Miss Bill said that officers would continue to monitor spend to the year end and discuss capital progress in all areas with DE officials.

8.3 SAMPLE MONITORING REPORTS

The Committee noted examples of four school monitoring reports* produced from the new finance system.

8.4 DEPARTMENT FOR THE ECONOMY - FINAL STATEMENT OF NEED 2016/17 AND INITIAL STATEMENT OF NEED 2017/18

Miss Bill presented the paper* (FGP/4/17/6.4) setting out the final statement of need for 2016/17 of £13.553m and advising that the initial statement of need for 2017/18 was estimated to be £14.048m.

On the proposal of Mrs Carville, seconded by Rev Herron, the Committee agreed to recommend the adoption of the final statement of need for 2016/17 and the initial statement of need for 2017/18 as set out in the paper.

9. BUDGET 2016/17 and 2017/18

The Committee noted the following DE letters*:

- Letter to chairs of Boards of Governors dated 15 March 2017 providing an update on the financial planning assumptions for 2017/18 and advising that indicative 2017/18 common funding formula figures had been placed on the DE website.

Miss Bill said that schools had been asked by DE to review their indicative common funding formula figures to ensure that difficult decisions could be taken at the start of the year to ensure that schools could live within these indicative figures.

- Letter to the EA Chief Executive dated 15 March 2017 providing an update on the financial planning assumptions for 2017/18 and advising that the Authority should review its 2017/18 financial plan on the basis of potential reduction scenarios of 2%, 4% and 6% against its 2016/17 opening budget position less adjustments made as part of the in-year reduction exercise. In addition, the Authority should also review its 2017/18 financial plan on the basis of a 10% reduction in the event of a Ministerial decision to protect the Aggregated Schools' Budget 2017/18.

Miss Bill referred to significant pressures on the EA Block Grant in the coming year. These included the impact of the new Apprenticeship levy, banking costs, pay and price increases, and the increasing demands for EA services including the special education budget. She said that the extremely challenging 2017/18 budgetary position had been discussed with the Permanent Secretary at the GAR meeting on 21 March 2017, including the EA's inability to address the anticipated level of cuts and additional pressures. DE officials had indicated their support to engage further on a range of strategic matters which impacted on the EA's financial position.

Miss Bill reminded Members that the budget workshop to consider the 2017/18 financial position would be held on 27 April 2017. All Board Members were being invited to attend this workshop.

- Letter to the EA Chief Executive dated 23 March 2017 informing of an initial cash allocation of £406.272m for the period 1 April 2017 to 31 July 2017 (to include Voluntary Grammar and Grant Maintained Integrated Schools) and stating that the cash allocation did not reflect a budget outcome for the Authority.

Miss Bill said the cash allocation for the first four months represented a 3% increase on the previous year's allocation for the same period. She advised that EA officials would monitor this on an ongoing basis and would engage with DE as needed.

10. HUMAN RESOURCES

10.1 REGIONALISATION OF HUMAN RESOURCES – TRANSITIONAL FUNCTIONAL MANAGEMENT STRUCTURE

Mrs Duffield reported that Mr R McGreevy had taken up the position of Assistant Director with responsibility for Corporate HR and Business Partnering. She presented a paper* (FGP/4/17/8/1) which set out the transitional functional management structure of the HR Directorate. An overview of the process and engagement with stakeholders to develop the transitional structure was provided. Mrs Duffield said that team leaders were now working up draft objectives and priorities for 2017/18 to align with the draft Strategic Plan.

A Member commented that some staff in similar posts across the organisation were employed under different terms and conditions. Mr McGreevy advised that staff employed through the legacy education and library boards had different terms and conditions. The Authority sought to move to standardised contractual entitlements and staff were encouraged to move across to these new arrangements. He outlined the

Authority's practice with regard to TUPE and referred to the negotiating machinery that was necessary to bring about standardised terms and conditions.

Members welcomed the progress within the Directorate and recognised the challenges associated with maintaining service delivery in a high output office as well as undertaking the process of transformation.

A Member queried if service protocols had yet been established. Mrs Duffield said that communication plans were now being developed as well as a HR Charter for the benefit of schools and internal colleagues.

The Committee noted the paper.

10.2 RECRUITMENT OF ASSISTANT DIRECTORS

On the proposal of Mrs Carville, seconded by Mr Pollock, the Committee agreed to discuss this item in committee.

Mrs Duffield provided a report on the recruitment process to date concerning the posts of Assistant Directors.

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

The Chair reported that the Committee had noted the outcome of the shortlisting process for the posts of Assistant Director. A concern had been raised by the Chair of the Board while in committee. A response had been provided from another Member and Mrs Duffield on this matter which had given the Chair of the Board some assurance.

11. OPERATIONS AND ESTATES SERVICES

11.1 TENDERS

(Mrs Carville declared an interest in the tender concerning St Ronan's College.)

The Committee considered tender reports* (FGP/4/17/9.2.1 and 9.2.2).

On the proposal of Mr Pollock, seconded by Ms O'Connor, the following tenders were approved:

- Construction Works: EANI 595; EANI 762.
- Goods and Services: T70158; T70166; T70241; T70255.

The Committee noted the following tenders:

- Construction Works: CfT 613459; CfT 637457; CfT 663533; and CfT 804480.
- Goods and Services (select tenders): T70116; and T70272.

11.2 RENEWAL OF EXISTING TERM SERVICE CONTRACTS

Ms Long said that 24 term service contracts currently existed across the Authority's five offices to provide service delivery for planned and response Building and Mechanical & Electrical Maintenance to schools and other buildings within the estate. Ms Long presented a paper* (FGP/4/17/9.3) which set out the recommendation to renew ten term

service contracts which would enable services to continue to be delivered while a review was undertaken of all the term service contracts on a single Authority basis. It was noted that a paper on 'Transforming the Maintenance Service' was currently being developed and would be presented to the Committee for consideration in due course.

A Member received confirmation that the renewal of the ten term service contracts was for a period of one year.

On the proposal of Mrs Carville, seconded by Mr Pollock, the Committee agreed that the Board should adopt the recommendations contained in the paper.

11.3 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/4/17/9.2) containing information in respect of contracts signed and sealed.

11.4 LAND AND PROPERTY TRANSACTIONS

Granting / Renewal of Licence Agreements: Limavady High School; and Ashfield Boys' High School;

Asset Disposals: Ebrington Primary School (two recommendations); land at rear of Limavady Grammar School; and former Vere Foster Primary School site.

Granting / Renewal of Leases: Ballyclare Grounds Maintenance Depot; former Beechfield Primary School building; and Delamont Outdoor Pursuits Centre.

(Ms O'Connor declared an interest in Ebrington Primary School as she had been involved with transactions concerning the school in her previous employment.)

Ms Long detailed the recommendations set out in the report* (FGP/4/17/9.3).

A Member referred to the proposed leasing agreement concerning the former Beechfield Primary School and queried the term for the lease in light of investment funding from the Department of Communities. Ms Long undertook to respond to the Member's query.

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

Action: *Provide further clarity on the term of the lease in connection with the former Beechfield Primary School.*

12. DATE OF NEXT MEETING

The next meeting would be held on 2 May 2017.

The meeting ended at 3.50 pm.

Chair

Date

* Paper circulated