

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 4 OCTOBER 2016 AT 2.00 PM IN FORESTVIEW

1. PRESENT Dr I McMorris (Chair)

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

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 Collings, Mrs H Fraser, Mrs H Gallagher and Mr D Hanna.

3. APOLOGIES

Apologies had been received from Fr T Bartlett and Ms N Toman.

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 6 SEPTEMBER 2016

The minutes* (FGP/10/16/3) of the meeting held on 6 September 2016 were approved as an accurate record on the proposal of Mrs Carville, seconded by Mr Pollock.

6. MATTER ARISING FROM THE MINUTES

TRUST AND ENDOWMENT FUNDS - ANNUAL REPORT AND ACCOUNTS 2015/16 (8.4)

The Committee noted a paper* (FGP/10/16/4.1) which set out background detail on the Northern Ireland Central Investment Fund for Charities (NICIFC) which was managed by the Department for Communities through recognised fund managers. It was noted that, while the NICIFC had no ethical investment policy in place, discussions were ongoing and an ethical investment policy was being drafted.

(Sir Gerry Loughran entered the meeting at 2.10 pm.)

7. ACCOMMODATION AT FORESTVIEW

The Committee noted a paper* (FGP/10/16/6) which advised that notice had been issued to the landlord at Forestview that the EA would vacate all four units by 31 January 2017. All staff currently based in Forestview would be accommodated in suitable alternative accommodation which would be determined in consultation with the staff. It was noted that the Chair and Chief Executive would be accommodated in Academy Street as an interim measure.

A Member queried the timeframe for the interim measure and the proposed location for the Directors during this time.

Clarification was given on the exercise currently being undertaken in respect of a regional location strategy for administrative staff. The expected timeframe for this exercise was 12 months. It was noted that Directors would use the existing accommodation in local offices and would also be provided with a common working base at Academy Street. It was agreed that a report on the location of Directors would be provided to the Board in one year's time.

Ms Long advised that the review of office accommodation currently being undertaken would identify space and pressure areas in local offices.

The Chair requested that the location for meetings of the Committee after January 2017 should be re-examined and a report brought back to the Committee.

Action: *Provide further report to Members on the future location of Committee meetings; and report on location of Directors to be provided to the Board after a period of one year.*

8. BUDGET 2017/18

The Minister had written to the Chair on 25 August 2016 asking the EA to consider all potential savings for the EA Block Grant for 2017/18 and future years with the expectation that a long list of savings of at least £50m would be identified in 2017/18 for the EA Block Grant.

Miss Bill said that the EA could not deliver £50m of further savings in 2017/18 without difficult decisions and a range of actions which would fundamentally impact on services and would require that EA looked at every spending line. She set the financial context of the 2016/17 budget, the savings in 2016/17 and the impact on the EA Block Grant. The £50m savings to be found in 2017/18 could equate to a reduction in spending power of £90m - £100m in two years.

An overview of the profile of the EA Block Grant was given, ie Headquarters, non-statutory, statutory, contractual, deficits and special needs and their associated proportion of Block Grant spend. Miss Bill outlined the approach which included using the long list of savings and the savings categories developed as part of the 2016/17 budget work as the starting point for 2017/18 reflecting the endorsements which the Committee and Board had given in 2016/17. She indicated that the estimates and savings actions for 2017/18 were based on the work and information available and a range of assumptions. She gave a summary of the indicative estimated savings, £53.621m for 2017/18 and £37.565m for 2018/19 and the associated red / amber / green rating. She outlined the service reviews to be undertaken within Operations and Estates, Education and CYPS directorates (estimated savings of £14m), service reduction and charging (estimated to be £9m) and service charging (estimated to be £1.3m) and other measures.

Miss Bill said that work would continue on initial assessments and assumptions and on accounting treatments. Work would also continue to progress savings in respect of contractual arrangements on the extension of the C2k contract and on PPP / PFI projects.

(Mr Craig entered the meeting at 3.10 pm.)

Members recognised that the significant cuts to the EA Block Grant would require difficult and unpalatable decisions. Discussion ensued in relation to budget areas which covered a range of schools' costs and the ability to charge schools.

It was noted that all budget proposals only related to services impacted by the EA Block Grant.

Members also discussed the draft Area Plan which, following public consultation, would lead to action plans being drawn up and assist in identifying particular challenges in schools. It was agreed that Directors would review the number of schools presented in the report which were showing significant deficit positions. It was noted that delegating budgets to schools for areas such as classroom assistants to provide autonomy to schools and the impact on the sustainability of individual schools would require Ministerial support. It was pointed out that EA should act with caution in regard to Special Education where it was essential to ensure that a strategic framework existed across the Region to provide for sufficient and appropriate placements of children.

On the proposal of Mrs Carville, seconded by Mrs Lappin, the Committee agreed that officers should discuss with DE officials the long list of savings for 2017/18 and 2018/19, as set out in the paper* (FGP/10/16/7) with the associated risks and challenges.

As a report was due to be presented to DE by 28 October, it was agreed that a Budget workshop would be held prior to this date to consider final proposals for submission to DE.

The Chair referred to an email received from a member of the Committee who was unable to attend the current meeting and who had set out her considerations in this matter.

It was pointed out that members of the Committee should be present at meetings in order to have their views heard and discussed.

Action: Budget workshop to be held prior to 28 October following officers engaging with DE officials on the 2017/18 Budget savings proposals.

9. FINANCE

9.1 RECURRENT REPORT : FIVE MONTHS TO 31 AUGUST 2016

Miss Bill presented the recurrent report* (FGP/10/16/8.1) detailing spend as at 31 August 2016 and the projected spend to year end (Appendix 1). Miss Bill outlined the basis of the report.

The allocation for Schools' Delegated Budgets was £893.831m. Miss Bill said that the projected schools' year end position of £5m pressure reflected that, in June monitoring, £5m of the £10m bid for drawing down accumulated surpluses had been received. She advised that a further bid for £5m had been submitted to DE as part of the October monitoring round.

An additional Earmarked allocation had been received (£467k) which meant the overall Earmarked budget amounted to £50.993m. The Committee noted a £5.788m pressure on the Earmarked budget which related to costs associated with the release of teaching and non-teaching staff through the voluntary exit scheme. The EA anticipated receipt of this funding from DE.

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

The EA Block Grant estimated an underspend of £185k which was based on the Savings Delivery Plan being achieved. Miss Bill reminded Members of the risks associated with the savings. Over the coming months, the underlying spending profile assumptions would be subject to ongoing review and monitoring processes for savings were being put in place. Members noted the bids submitted to DE within the October monitoring round, as set out in the recurrent report.

The DE Youth allocation, amounting to £34.241m, was anticipated to come in on target at year end.

Miss Bill said that the Directors had been asked to provide forecasts reflecting the move to a NI wide functional business to inform future MEMR reports and spending profiles. The MEMR report in November would therefore take account of the revised process and updated profiles and information.

9.2 REPORT : FIVE MONTHS TO 31 AUGUST 2016

The Committee noted the capital report* (FGP/10/16/8.2) detailing spend as at 31 August 2016 and the projected spend to year end compared to the overall capital allocation (schools and youth) of £79.713m.

Miss Bill advised that the minor works budget had been reduced by £2m by DE in order to resource the Furniture and Equipment budget and she gave an update on how this interacted with savings measures for the recurrent bid. She advised that since 31 August 2016 bids had been submitted in respect of minor works (£7.6m), facilities improvement (£3m), the IFS system (£500k), Voluntary Grammar School and Grant Maintained Schools - developments and implementation of HR / Payroll systems (£100k), and Initial Furniture and Equipment (£8m) which would allow the issue in respect of the £2m to be addressed.

10. HUMAN RESOURCES

10.1 SCHEME FOR THE EFFICIENT DISCHARGE OF TEACHERS

Mrs Duffield presented the draft scheme* (FGP/10/16/9.1) for the efficient discharge of teachers and school leaders. The purpose of the scheme was to drive up standards in schools by facilitating the release of teachers and school leaders in circumstances where aspects of teaching or leadership required change and where it had not been possible to effect a satisfactory outcome by means of any other available procedure.

Mrs Duffield said that the EA was the funding authority and therefore the compensating authority for all schools. In the absence of a DE scheme for efficient discharge, the costs associated with releasing any teacher on grounds of efficient discharge would therefore be presented to the EA in its capacity as compensating authority.

She said that the Teachers' Premature Retirement Scheme, issued by DE in 2010, stated that each employing authority should have its own policy for efficient discharge. The DE circular also stated that the employing authority must seek approval from the EA before releasing a teacher on grounds of efficient discharge. Furthermore, the EA might seek repayment of the costs from the employing authority as a condition of approval. This meant that, in considering any efficient discharge application, the EA could consider that the associated costs could be charged against a school's delegated budget or funded

through contingency in accordance with the provisions of the Common Funding Scheme. In any event, EA would be required to seek the necessary approval from DE.

Mrs Duffield said that the draft scheme made the following provisions:

- It set out the minimum requirements that had to be satisfied before a submission for efficient discharge could be considered.
- It provided a mechanism whereby the Governors of the school, supported by officers and trade union representatives as appropriate, could make a submission provided that all requirements had been met.
- It outlined the processes that were required to be followed where a Board of Governors, for whom the EA was not the employing authority, intended to make a submission to the EA as compensating authority. These submissions would be subject to the same minimum requirements.
- Other employing authorities could adapt and adopt the EA scheme through due process in order to make a submission.

The Chair received confirmation that the scheme was designed to be used strictly by exception and submissions would only be considered where there was clear evidence that no other feasible option remained.

Mrs Duffield said that while discussion on the draft scheme had commenced with the teaching unions, the document had not yet been provided to them until feedback had been received from DE. The scheme did not however require DE approval.

A Member queried the number of teaching staff released under the scheme for efficient discharge previously operated by DE and the compensation element which was proposed within the draft Scheme. Mrs Fraser gave an overview of the number of teaching staff released over recent years and advised that the scheme would provide for compensation of 52 weeks' salary to teaching staff.

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

10.2 ASSISTANT DIRECTORS - BUSINESS CASE

Mrs Duffield presented the business case* (FGP/10/16/9.2) and associated appendices in respect of proposals for the salary range for the posts of Assistant Director and the mechanism for performance progression. The business case related to the 19 Assistant Director posts which had been approved by DE in the initial business case.

Mrs Duffield said that officers had engaged with DE colleagues to discuss the salary range for these posts and the method of pay progression. Job evaluation had been carried out and work to date had been shared with JNC Trade Union Side colleagues. Following EA Board approval, she said that the business case would be presented to DE and DoF for final approval.

Copies of sample job descriptions and the Job Evaluation Report had been posted on the Members' website for information.

Members queried the point at which Assistant Directors would enter the pay scale and the number of staff currently within the organisation who fell within the proposed salary

scale of the Assistant Directors. Members also raised queries in respect of staff in acting up positions and pay protection.

Mrs Duffield said that on appointment an Assistant Director would enter the pay scale at the minimum point except where the salary of the individual's substantive post (either within the organisation or an external appointment) was higher than the minimum point. In this case, entrance would be at the same or next highest point in monetary value terms on the salary scale. Annual progression would be in line with Executive Pay Policy which currently limited progression to 1%. Mrs Duffield advised that a review had been carried out recently on staff in acting up posts within the organisation and she outlined the work that had taken place to regularise these posts as far as possible.

On the proposal of Mrs Carville, seconded by Mr Pollock, the Committee agreed to recommend the preferred option as set out in the business case relating to the salary range for the post of Assistant Director and the mechanism for performance progression.

11. OPERATIONS AND ESTATES SERVICES

11.1 TRANSPORT - CONSISTENT INTERPRETATION OF HOME TO SCHOOL TRANSPORT POLICY

Ms Long presented a paper* (FGP/10/16/10.1) which set out the strategic context and requirement for the Board to determine a consistent approach in the interpretation and application of the criteria used to determine eligibility for entitlement of home to school transport. Four of the five legacy organisations had used the criteria 'Door to Door' and one had used 'Gate to Gate'.

Documentation previously provided to the Committee on 5 April 2016, including the DE Circular on School Transport and the Rural Proofing Analysis document, was noted.

Members discussed fully the proposals in the paper. Particular consideration was given to the impact on rural families and on families with younger siblings where those siblings attended primary school and / or post-primary school. The impact on pupils within the integrated sector was noted, particularly in one school location. Ms Long said that officers would engage with this school to address this issue.

Members discussed concessionary seats and their availability across the region, financial considerations and possible options relating to charging. They recognised the sensitivities within the community regarding a change in practice but were committed to providing a service across the region which would be consistent to all families.

(Mr Pollock left the meeting at 4.30 pm.)

On the proposal of Sir Gerry Loughran, seconded by Ms O'Connor, the Committee agreed to recommend that:

- eligibility for transport assistance would be determined consistently across the region on a 'Gate to Gate' basis;
- the new policy would apply only to new applicants;
- all pupils currently in receipt of transport assistance would be protected; and
- arrangements would be put in place to ensure that the younger siblings of pupils, who were currently in receipt of transport assistance, would remain eligible for transport assistance in the future.

The new arrangements would be effective from 1 September 2018.

It was agreed that a report would be presented to the Committee at a future meeting on concessionary seats and on payments to parents in lieu of transport assistance.

Actions: *Change in practice to implement eligibility on a 'Gate to Gate' basis; and provide report to the Committee at a future meeting on concessionary seats and payments to parents in lieu of transport assistance.*

11.2 SCHOOL ENHANCEMENT PROGRAMME - SECOND CALL FOR APPLICATIONS

(Mrs Lappin declared an interest in one of the schools presented within the paper.)

Ms Long said that it was anticipated that the Minister would shortly announce the next round of applications to the School Enhancement Programme. Given the expected short turnaround period, the Committee's consideration was sought to the recommendations in the paper* (FGP/10/16/10.2). She provided an overview of the criteria used to determine eligibility.

On the proposal of Mrs Carville, seconded by Mr Doran, the Committee agreed to recommend that the schools detailed in the paper should form the submission to DE and, should any amendments be required in the final submission list as a result of changes in criteria to be announced by DE, the Committee should be informed of these changes.

Action: *Inform the Committee of any changes made in the School Enhancement Programme submission to DE.*

11.3 TENDERS

On the proposal of Mrs Lappin, seconded by Ms O'Connor, the Committee agreed to consider this item in committee.

The Committee considered the Goods and Services tender report* (FGP/10/16/10.3) and a paper* (FGP/10/16/10.3) on the renewal of a Service Level Agreement between the EA and Coleraine Grammar School and the establishment of a Service Level Agreement between the EA and Portadown Integrated Primary School.

On the proposal of Mrs Lappin, seconded by Mr Doran, the Committee agreed to resume the meeting.

The Chair reported that, while in committee, tenders 70182 and 70197 and the recommendations regarding the Service Level Agreements had been approved on the proposal of Mrs Carville and seconded by Mr Craig.

11.4 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/10/16/10.4) containing information in respect of contracts signed and sealed.

11.5 LAND AND PROPERTY TRANSACTIONS

Wayleave Agreement : Castle Tower School
Lease Agreement : Cambridge House Grammar School
Lease Agreement : Coleraine Grammar School
Lease Agreement : Former Skegoneil Primary School building
Land retransfer and Right of Way : Porters Memorial building

Ms Long outlined the recommendations set out in the report* (FGP/10/16/10.5).

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

It was agreed that Ms Long would investigate the possibility of the EA being able to charge developers when requesting connections to EA owned sewer pipes.

Action: *Investigate query on a connection charge for developers.*

11.6 CASTLE TOWER SCHOOL

Ms Long said that agreement had been reached in principle with Mid and East Antrim Council to permit the EA, and its agents, access over the roadway to Castle Tower site. This was subject to the necessary approvals and completion of legal formalities.

Mid and East Antrim Council was seeking confirmation that the EA would grant it an Option to acquire a right of way over part of the school site which could facilitate access should the Council become full owner of the former Barracks site.

On the proposal of Mrs Lappin, seconded by Mr Doran, the Committee agreed to recommend that the Chief Executive would advise the Council that the EA was willing, subject to the requisite approvals and the completion of legal formalities, to enter into an Option Agreement for a consideration of £1.00 for the future granting of an easement to the Council, conditional upon it acquiring the St Patrick's Barracks site, on terms to be assessed and recommended by the Land and Property Services acting on joint instruction at the time the Council is exercising the Option. The legal formalities of the agreement would be carried out by the EA Solicitors.

12. ANY OTHER BUSINESS

THE BOARD ROOM APPRENTICE

The Chair of the Board said that this initiative had been raised with the Permanent Secretary and other public sector bodies in order to gauge interest. The aim of the initiative, as set out in the paper* (FGP/10/16/11.1), was to create opportunities for a non-executive director to gain apprentice style experience and which would address some of the issues in attracting more people to come forward for public appointments.

A Member urged caution with regard to the confidential nature of various aspects of the EA's business. The Chair of the Board said that the initiative would be governed by confidentiality contracts.

The Committee agreed in principle to the initiative. Further information would be presented to Members in due course.

13. DATE OF NEXT MEETING

The next meeting would be held on 1 November 2016.

The meeting ended at 3.45 pm.

Chair

Date

* Paper circulated ** Paper tabled