

**MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF
THE EDUCATION AUTHORITY HELD ON 5 APRIL 2016 AT 2.00 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

2. IN ATTENDANCE

Mr G Boyd (part of meeting), Miss J Bill, Ms S Long, Mr S McCurdy, Mr R McGreevy, Mr P O'Neill, Ms D Stockman, Ms L McCall and for part of the meeting other officers of the EA.

The Chair welcomed Miss Bill and Ms Long to their first meeting of the Committee.

3. APOLOGY

An apology had been received from Mrs N Lappin.

4. DECLARATIONS OF INTEREST

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

5. MINUTES OF MEETING HELD ON 1 MARCH 2016

In line with the comments at the Board meeting on 24 March 2016, it was agreed that minute 8.1 should be amended. Subject to this amendment, the Committee approved the minutes* (FGP/3/16/3) of the meeting held on 2 February 2016 on the proposal of Mrs Carville, seconded by Mr Pollock.

6. MATTERS ARISING FROM THE MINUTES

6.1 EQUALITY UPDATE (10)

The Committee noted a letter received from the Equality Commission to advise that the Authority's Equality Scheme had been approved on 24 February 2016. The letter had also acknowledged the considerable efforts made by the Authority to ensure that the Equality Scheme complied with the Commission's guidelines and had met the high standards of good practice.

6.2 DELEGATED AUTHORITY - APPROVAL OF TENDERS (9.2)

(Fr Bartlett, Sir Gerry Loughran and Ms Toman entered the meeting at 2.04 pm.)

The Committee considered the paper* (FGP/4/16/4.1) which set out proposals in respect of delegating authority to the Chief Executive, or a nominee, to approve tenders for Goods and Services and for Managed Service Design Teams up to the OJEU threshold value and for Minor Works (Construction) up to the value of £500k. It was intended that all approvals

provided by the Chief Executive, or a nominee, would be presented to the Committee for information.

(Ms Toman left the meeting temporarily at 2.08 pm.)

Members received clarity on the governance process whereby the Chief Executive would approve a tender.

(Ms Toman re-entered the meeting at 2.10 pm.)

Members discussed the Committee's governance responsibilities and the OJEU threshold value. Members requested that monthly reports would be presented to the Committee for information on all tenders approved by the Chief Executive. In addition, a Member requested that a register of upcoming procurement contracts be provided to the Committee on a quarterly basis.

On the proposal of Mrs Carville, seconded by Ms Toman, the Committee agreed to delegate authority to the Chief Executive, or a nominee, to approve tenders for Goods and Services and for Managed Service Design Teams up to the annual OJEU threshold value and for Minor Works (Construction) up to the value of £500k. The Committee further agreed that the Audit and Risk Assurance Committee should be asked to review the new process in due course.

Actions: *Reports on all tenders approved within the new procedure by the Chief Executive, or nominee, to be presented to the Committee for information; quarterly report to be presented to the Committee on upcoming procurement contracts; and Audit and Risk Assurance Committee to review the new procedure in due course.*

6.3 ANNUAL EMPLOYMENT MONITORING RETURN (6.2)

Mr McGreevy referred to the gap in the equal opportunity information gathered for teachers. A report on this matter would be presented to the Committee at its next meeting.

Action: *Report to be presented in May on the issue concerning 'Teachers' Exemption'.*

6.4 LAND AND PROPERTY TRANSACTIONS (11.4)

Ms Stockman reported that the EA had included a standard clause within the lease agreement in respect of Drumahoe Primary School setting out all responsibilities of the Council as the tenant.

7. CHAIRPERSON'S BUSINESS

7.1 MATTERS REFERRED FROM THE AUDIT AND RISK ASSURANCE COMMITTEE

The Chair advised that reports on the two matters referred from the Audit and Risk Assurance Committee relating to schools procurement and the generation of income in schools would be presented to the Committee at a later date. He advised that schools procurement was bound up with the COPE accreditation process which would be led by a specific project manager, and the generation of income in schools was in part tied in with training sessions which were being organised to cover VAT awareness and management matters.

7.2 WORKING GROUP ON SCHOOL SURPLUSES AND DEFICITS

The Chair reported that officers were preparing final recommendations for the Working Group's consideration at its June meeting. A final report would subsequently be presented to the Committee.

8. FINANCE

8.1 RECURRENT REPORT : ELEVEN MONTHS TO 29 FEBRUARY 2016

Mr P Hughes presented the recurrent report* (FGP/4/16/6.1) detailing spend as at 29 February 2016 and the projected spend to year end (Appendix 1).

The schools' surplus drawdown estimate was now £1.347m. Given the additional £5m allocation for school surpluses had now reduced to £3m (DFP having accepted the declared easement of £2m in February 2016), the reported MEMR surplus on the Aggregated Schools' Budget was now £1.653m.

Appendix 2* detailed additional Earmarked allocations of £1.478m received during February 2016.

The reported easement on Earmarked spend of £2.853m related in the main (approximately £2m) to school based redundancies and the voluntary exit scheme.

The Committee noted that the receipt of £4.4m from the DE internal January monitoring round to meet pressures within the Centre Block Grant, in addition to further savings achieved in February, meant that the projected year end outturn was a surplus of £2.802m. This figure included £0.950m which relating to the anticipated budget adjustment associated with LMS spend on Capital.

The Committee noted an underspend of £0.199m projected within the Youth budget.

In response to a question, Members were advised of the year end processes with which officers were now engaged in preparing for Annual Accounts.

8.2 CAPITAL REPORT : ELEVEN MONTHS TO 29 FEBRUARY 2016

The Committee noted the capital report* (FGP/4/16/6.2) with an overall capital allocation (schools and youth) of £59.172m as at 29 February 2016. An overview of anticipated spend within each budget area to year end was provided.

Mrs P McErlean said that pressures and easements in planned Major Works, the School Enhancement Programme and Other Capital had been reported to DE and the necessary adjustments had been made to the respective budgets.

It was reported that negotiations continued in order to progress the issue relating to the new Castle Tower School. Mrs McErlean indicated that it was expected that alternative arrangements would be made to allow the contractor to access the site.

Clarity was sought in relation to the transfer of funding from the EOTAS Earmarked budget to Other Capital / Minor Works. Members noted that this issue related to C2k connectivity in EOTAS provisions. It was also noted that a report on EOTAS provision would be provided to the Children and Young People's Services Committee in due course.

While Mrs McErlean provided assurance that every effort was being made to maximise spend prior to the year end, she reported that there would be an underspend in the total capital budget and that this might exceed the target set by DE (0.75%).

8.3 DEPARTMENT OF EMPLOYMENT AND LEARNING – FINAL STATEMENT OF NEED 2015/16 AND INITIAL STATEMENT OF NEED 2016/17

Mr N Craig presented the report* (FGP/4/16/6.3) which set out a final statement of need of £13.891m for 2015/16 and an initial statement of need of £14.504m for 2016/17. He reported that both had been approved by the Department of Employment and Learning.

The Committee noted the report.

9. BUDGET 2016/17 : UPDATE

Miss Bill, in a presentation**, gave an overview of the NI budget for capital and resource and an early assessment of the funding challenges facing the EA in 2016/17. She provided detail on the overall EA budget allocation which was £1,429m. This comprised £894m for Schools' Delegated Budgets, £498m for the EA Block Grant allocation, and £37m for Earmarked allocations. The Block Grant allocation (£498m) included £119.5m of funds previously identified as earmarked by DE. It also incorporated £20m expected to be received as part of the June 2016 monitoring round. Miss Bill highlighted that the Schools' Delegated Budget had been cut by £10m and that the EA Block Grant had been cut by £22m. Furthermore, no allocation had been made for pay and price inflation or changes in National Insurance contributions introduced from April 2016. She outlined further challenges associated with ongoing pressures including special education and possible issues arising from the NICS departmental restructuring. DE had indicated that pressure bids could be presented as part of the in-year monitoring process. However, bids would not be accepted relating to pressures from pay and price increases and changes in National Insurance contributions. Except for a small contingency sum (£1.1m), DE had indicated that all funding had been allocated and that the EA was required to live within its budget allocations.

Miss Bill presented an estimate of the funding required in the EA Block Grant, based on the February MEMR projected outturn for 2015/16, spend previously identified as earmarked, estimated pay and price requirements and National Insurance contributions, increases in school deficits, other potential pressures and easements associated with decisions taken in 2015/16 regarding voluntary exits and the CYPS transitional framework. Miss Bill highlighted that the estimated pressure assumed that business continued as was in 2015/16. The Committee noted that the estimated EA Block Grant requirement was £552m. When set against the budget available, there was an estimated shortfall in the EA Block Grant allocation of £54m.

Miss Bill said that work was progressing on analysing and refining the budget assumptions. She highlighted that the timeframe of 29 April 2016 set by DE to return a balanced Budget was challenging and officers would be liaising with DE on this deadline. She would keep Members updated on budgetary matters in the interim period, whenever possible.

It was agreed that Budget Workshops would now be held on 3 May and 17 May to which all Board Members would be invited with the intention of presenting a budget for agreement to the Board at its meeting on 26 May 2016.

A Member said that some school principals had expressed serious concerns in respect of their growing deficits. The presentation had detailed a pressure of £5m in respect of the increase in school deficits in 2016/17. He considered that support and guidance should be given to schools in this area. Another Member wished to record his concern that the individual deficits of some controlled and voluntary grammar schools were £500k.

Mr Boyd said that the LMS Units provided support to schools on an individual basis. The Working Group on School Surpluses and Deficits was giving consideration to the level of supports to be given to schools. He said that the drawdown of school surpluses had been considerably below that which had been anticipated in 2015/16. The current Government strategy to reduce expenditure within the public sector meant that, unless the number of schools reduced, challenges would arise in respect of the pupil / teacher ratio.

Mr McGreevy said that HR guidance had been given to schools on redundancies and the current year's process had already commenced. HR contacts had been included for each local office in order to provide advice and assistance to schools with the redundancy process. He also referenced the proposed Investing in the Teaching Workforce Scheme and stated that it had not yet been launched by DE.

Members referenced various budget areas which should be examined for savings options. It was agreed that the budget areas which had been previously identified as Earmarked would be fully scrutinised at the Budget Workshop and that due consideration of the Authority's Section 75 responsibilities with regard to all options would be required.

A Member said that it had been reported, at the March meeting of the Education Committee, that the current contract with C2K was due to finish in 2019 and that the time was now appropriate for Members to consider the Authority's requirements with regard to its ICT needs on completion of that contract. He said that the significant spend in this area did not equate to raising standards. A Member asked that clarification be sought on the Authority's responsibilities with regard to the C2k contract.

A Member said that the Board also needed to consider the longer term approach to savings in light of the challenging economic environment as identified in the Spending Review to 2019/20.

It was agreed that a communication should issue to schools setting out guidance and an analysis of budgetary considerations. Mr Boyd undertook to speak to DE officials on this issue in the first instance.

The Chair commented that the Board could give consideration to setting aside a contingency fund to assist schools.

A Member said that the report from the Working Group on School Surpluses and Deficits, which was expected to be provided to the Committee in June, was quite critical in the context of the current discussion. It was agreed that the Chair of the Working Group would be asked to provide a verbal report to Board Members as soon as possible.

Actions: *Budget workshops set for 3 and 17 May 2016; Budget to be presented to the Board on 26 May; verbal report to be provided by the Chair of Working Group on School Surpluses and Deficits to Board Members as soon as possible; clarification to be sought on the Authority's responsibilities in relation to the C2k contract; Chief Executive to liaise with DE initially prior to a communication being issued to schools in respect of budgetary considerations.*

10. CUT OVER STRATEGY

The Committee noted revised organisational charts** detailing senior management structures as at March 2015, March 2016, April 2016 and the anticipated senior management structure entitled 'Steady State'.

A Member said that the box marked 'Chief Executive's Office' should be amended as this title could imply that staff were required to be located full time at a particular location.

A paper** setting out the roles and responsibilities of senior DE officials was also noted.

Action: Amend heading entitled 'Chief Executive's Office' within paper.

(Mrs Carville left the meeting at 4.03 pm.)

11. OPERATIONS AND ESTATES SERVICES

11.1 MANAGEMENT OF FIRE RISK IN SCHOOLS

Mr R Sayers, in a presentation**, gave an overview of fire risk management in schools. This included relevant legislation, the Authority's requirements to carry out fire risk assessments and to prioritise actions against risk levels. He advised that existing fire risk assessments were currently being used to assist in the development and management of a Fire Safety Programme for all EA properties. This Programme would provide an objective means of prioritising projects based on risk and would act as the methodology through which capital investment for fire safety projects was prioritised for the short, medium and long terms. He pointed out that schools remained responsible for addressing their own fire risk management issues.

In response to Members' queries, Mr Sayer advised that the Authority was required to test fire alarms on an annual basis. It was noted that the planned budget provision for this area was £1m in 2016/17.

11.2 MINOR WORKS PROGRAMME 2016/17

Ms I Barker outlined the methodology used to draw up the Minor Works Programme, as set out in the paper* (FGP/4/16/9.2). She drew attention to the minor works schemes (Phase 1) in the paper which comprised contractual commitments carried over from 2015/16, emergency / inescapable works, DDA works, fire risk improvement works and fees.

A Member received clarity on the proposed schemes to be carried out at EOTAS provisions.

On the proposal of Ms Gowan, seconded by Rev Herron, the Committee agreed to recommend the approval of the Minor Works Programme for 2016/17 (Phase 1).

It was further agreed that if any additional funding became available in year, the methodology used to score and rank minor works projects would be applied to the remaining schemes on the EA composite Minor Works list.

Actions: 2016/17 Programme approved; should any additional funding become available in year, the methodology used to score and rank minor works projects to be applied to the remaining schemes on the EA composite Minor Works list.

(Mr Pollock left the meeting at 4.50 pm.)

11.3 TRANSPORT

The Committee had previously agreed that proposed arrangements for determining eligibility for home to school transport based on a 'Gate to Gate' measurement should be issued for public consultation, followed by an equality screening exercise. Any proposed revised arrangements would also be reviewed in the context of rural proofing.

The Committee considered a paper* (FGP/4/16/9.3) which set out the strategic context, a summary of the impact arising from the application of 'Gate to Gate' eligibility criteria and reports on the public consultation exercise, the rural proofing exercise and the equality screening exercise.

It was noted that eligibility for transport assistance was based on the distance from the pupil's home to the nearest suitable school within a given category. Four of the legacy ELBs had interpreted this measurement to be 'Door to Door' and the fifth legacy ELB had interpreted the measurement to be 'Gate to Gate'.

Members noted the anticipated impact by school category across the Authority of the consistent application of 'Gate to Gate' eligibility criteria as set out in the paper. The impact of the application of 'Gate to Gate' on one particular school within the Integrated Sector was noted. This was due to the siting of the school with regard to the public road network and the official pupil pedestrian entrance.

Based on all evidence available, the paper set out that the screening panel 'screened out' an Equality Impact Assessment on the basis that the available evidence confirmed no differential impact on any of the nine equality groups.

Mr D Hanna pointed out that because all families currently in receipt of transport assistance would be protected, the adoption of the 'Gate to Gate' measurement would adversely impact on approximately 200 new applicants each year. The impact of the 'Gate to Gate' measurement would generate savings estimated to be £930k per annum once fully implemented after eight years.

Some Members expressed concerns regarding the impact of the 'Gate to Gate' proposal, particularly in relation to families where siblings might not receive transport assistance. A Member referred to the rural proofing exercise; while the analysis had identified that the proposal for the harmonisation of the policy was not likely to have a disproportionately negative impact on pupils living in rural areas, he did not accept the distinction given between urban and rural areas and the resultant figures. In addition, some Members referred to the need to co-ordinate any decision to be taken with the 'Independent Review of Home to School Transport' commissioned by the Minister.

Members highlighted that two systems were currently in operation and acknowledged the necessity to determine a consistent application of the home to school eligibility criteria. They also emphasised the importance of ensuring that all information was communicated appropriately in the public domain. It was noted that the Admissions Booklet for 2016/17 had included a comment that the basis for determining eligibility for home to school transport was under consideration based on a 'Gate to Gate' measurement.

The views of a Member who had left the meeting earlier were made known to the Committee. Some Members considered that it was important to delay a decision to allow further consideration at the Board meeting and to take account of a co-ordinated approach with DE.

Some Members stated that a decision on this matter could not be taken outside the Board's budgetary considerations. Clarity was sought on the implications of this decision on low income families. The Authority's statutory position in relation to its transport arrangements was outlined. In addition, the Authority was required to be mindful not to introduce any practices which would promote inequalities in provision across the region.

Mr Hanna drew attention to the significant volume of applications which would be received for transport assistance from families throughout the region once they had received confirmation on 23 May 2016 of admission arrangements to post-primary schools.

On the proposal of Sir Gerry Loughran, seconded by Ms O'Connor, the Committee agreed to recommend that eligibility for transport assistance would be based on the 'Gate to Gate' measurement. Rev Herron wished to record his objection. Ms Toman also wished to record her objection; she considered the matter should receive further deliberation.

It was agreed that the matter would be placed on the agenda of the April Board meeting as a substantive item.

Some Members stated that an overall review of Transport should be carried out.

Action: *Item to be placed on the agenda of the April Board meeting as a substantive item.*

11.4 TENDERS

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

The Committee considered tender reports* (FGP/4/16/9.4.1 and 9.4.2).

On the proposal of Ms O'Connor, seconded by Ms Gowan, 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 Ms Gowan:

- *Construction Works*
CfT 297921; EANI-226; and CfT EANI-223 (revised recommendation tabled for CfT EANI-223).
- *Goods and Services*
70139 (revised paper tabled for this tender); 70104; 70105; 70106; 70107; and 70025.

(During consideration of 70104 and 70105, Ms Toman left the meeting temporarily at 5.45 pm and re-entered at 5.47 pm. During consideration of 70107 and 70025, Ms O'Connor and Sir Gerry Loughran left the meeting temporarily at 5.50 pm. Ms O'Connor re-entered the meeting at 5.52 pm and Sir Gerry Loughran re-entered at 5.53 pm.)

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

- *Goods and Services - External Frameworks*
RM 1054

- *Goods and Services - Select Tenders*
70102 (re-issue); 70109; 70110; 70115; 70128; 70134; and 70141.

11.5 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/4/16/9.5) containing information in respect of contracts awarded for Cft EANI-188; Cft 183630; Cft 208039; ITT 30296; ITT 30560; ITT 195681; Cft EANI-71; Cft EANI-83; Cft EANI-118; Cft EANI-120; and Cft EANI-175.

(During this item Ms Toman left the meeting temporarily at 5.56 pm and re-entered at 5.58 pm.)

11.6 LAND AND PROPERTY TRANSACTIONS

Granting / Renewing of Leases: Down High School; Unit 15B Grange Road, Trench Road, Mallusk (for mobile STEM resource); Castle Tower School, Ballymena.

Grant of Easement: Former Mount Gilbert Community College site; Delamont Outdoor Pursuits Centre; former Magherafelt Primary School (use of playground by contractor).

Licence Agreement: Limavady High School; Ballyclare Vehicle Maintenance Depot.

Ms Stockman detailed the various recommendations set out in the paper* (FGP/4/16/9.6).

A Member suggested that the recommendation concerning the granting of a formal easement in respect of the former Mount Gilbert Community College site should be amended to allow the individual access along the laneway from the main road only to the point of access to his property.

Subject to a possible amendment to the granting of an easement in respect of the access lane to the former Mount Gilbert Community College, the Committee agreed, on the proposal of Ms O'Connor, seconded by Ms Gowan, to recommend that the Board should progress the transactions set out in the paper*.

Action: *Liaise with EA Solicitors to ascertain if the terms of the grant of easement can be amended in respect of the access lane to the former Mount Gilbert Community College.*

12. HUMAN RESOURCES

SCHOOL CATERING SERVICE – ABATEMENT

Mr McGreevy presented a paper* (FGP/4/16/10.1) setting out the background to this matter and various operational issues. He drew attention to particular concerns which required consultation with the EA Solicitors and the Trade Unions. It was agreed that consideration of this matter would be deferred until further information was presented to the Committee.

Action: *Present further report to the Committee following discussions with EA Solicitors and Trade Unions.*

13. DATE OF NEXT MEETING

The next meeting was scheduled for 3 May 2016.

The meeting ended at 6.05 pm.

Chair

Date

* Paper circulated ** Paper tabled