

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 5 SEPTEMBER 2017 AT 2.00 PM IN ANTRIM BOARD CENTRE

1. PRESENT Dr I McMorris (Chair)

Mrs P Carville	Rev R Herron
Mr J Craig	Ms S O'Connor
Mr G Doran	Mr R Pollock

Mr O McMullan was in attendance.

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mr J Collings, Mrs C Duffield, Mr P O'Neill, Mr R Sayers, Ms L McCall and for part of the meeting Mr M McDermott, Mrs C Lavery and Mr N McCosker.

3. APOLOGIES

Apologies had been received from Mrs M Culbert, Sir Gerry Loughran 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 JUNE 2017

Mr Craig said that he had submitted an apology for the meeting held on 6 June 2017.

Subject to this amendment, the minutes* (FGP/9/17/3) of the meeting held on 6 June 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 STATEMENT OF LOSSES 2016/17 (8.1)

It was noted that comparative information on Losses incurred in 2015/16 and 2016/17 would be provided to the Committee at its October meeting.

6.2 2017/18 BUDGET UPDATE (9)

The Committee noted the position on the 2017/18 budget and supported the need for transformation with the Board giving consideration to the establishment of a Transformation Working Group.

6.3 REVIEW OF JOINT NEGOTIATING COUNCIL (JNC) - UPATE

Mrs Duffield said that she had engaged with DE to discuss the rationale for the proposed change in its role in the governance structure of the JNC. She reported that it had been agreed that while DE would not be a full member of JNC, it would have an oversight role on the group. She advised that DE would also play a role in directorate forum meetings and other meetings in respect of terms and conditions for non-teaching staff.

7. CHAIR'S BUSINESS

7.1 TRANSPORT - HARBERTON SCHOOL

Mr Boyd drew attention to a transport matter which had arisen on 1 September 2017 involving children and young people attending Harberton School. He outlined the circumstances and the actions which had been taken by the Authority to resolve the matter. This issue had been raised in the media.

(Mrs Carville entered the meeting at 2.08 pm.)

Members noted the very unfortunate experiences for the children and young people impacted by the revised transport arrangements on 1 September at Harberton School. A Member said that front line services to children with special educational needs should not be considered as part of the Authority's savings measures. He hoped that no further savings measures were being taken forward which would impact on children and young people with special educational needs.

Members sought further clarity on various elements of the sub-contracting arrangements.

A Member referred to the scheme that enabled parents to make application to the Authority for financial assistance to transport their children to and from school instead of receiving a bus pass. He queried whether this scheme would be beneficial to parents of children with special educational needs.

Mr Boyd said that the Authority carried out a review of its transport routes each year. He referred to the serious financial challenges and risks currently facing the Authority. He confirmed that measures would continue to be taken to ensure that budget areas in respect of children and young people with special educational needs would be safeguarded wherever possible. He reminded the Committee that in 2016/17 the Authority's expenditure on SEN had increased by £12m and, in the current year, it was anticipated that this expenditure would increase by a further £12m - £15m in order to meet pressures in this area. He said that the Assistant Director for Transport would attend the October meeting of the Committee to address Members' specific queries on this matter.

Action: *Assistant Director for Transport to attend the October meeting of the Committee to address Members' specific queries on this matter.*

7.2 OFFICE OF COMMITTEE CHAIR

It was noted that the Board, at its meeting on 28 September 2017, would be considering a paper on the EA Committee Structure which would include election of committee chairs.

7.3 FIRE RISK MANAGEMENT

In light of the fire at Grenfell Tower in London in June 2017, the Chair of the Board had requested a report on fire risk management, particularly in relation to the use of external wall cladding which was made from aluminium composite material within the EA estate.

Mr Sayers reported that no cladding made from aluminium composite material had been found within the controlled, maintained and Irish medium schools, youth centres and outdoor education centres over 18m high. Furthermore, no such cladding had been found in controlled, maintained and Irish medium premises of any height which had overnight accommodation. He alerted Members to the Authority's scheduled programme

of inspections which would continue as normal to ensure compliance with all current guidance.

The Chair requested that checks should be made on the rest of the EA estate, ie on buildings under 18m high. This was agreed.

In response to a query from a Member, Mr Sayers outlined the health and safety training provided to staff. It was noted that school staff also regularly attended such training.

Action: *Further survey to be conducted to ascertain the presence of any aluminium composite material on premises under 18m high.*

8. UNREASONABLE COMPLAINTS PROCEDURE

Mr McCosker presented a draft procedure* (FGP/9/17/6) for dealing with unreasonable complaints and complainants. It was noted that the draft procedure had been based on policies currently in use by other government agencies and had been reviewed by the Northern Ireland Public Services Ombudsman.

In response to queries, Mr McCosker said that the procedure was intended for service users. The procedure would be initiated, as appropriate, by the relevant Director / Assistant Director who would provide a response to the complainant outlining the basis for the decision and setting out the right of the complainant to appeal.

A Member said that the draft procedure did not provide for governance arrangements

On the proposal of Mr Craig, seconded by Mrs Carville, the Committee agreed to recommend the adoption of the Unreasonable Complaints Procedure subject to an amendment which would enable the Finance and General Purposes Committee to receive regular reports on the out-workings of the procedure. It was agreed that the first report would be presented to the Committee after a period of six months. At that time, the Committee would give consideration to the appropriate timeframe to receive regular reports.

Action: *Procedure agreed with an amendment. Finance and General Purposes Committee to receive a report on the out-workings of the procedure after a period of six months.*

9. ANNUAL PROGRESS REPORT TO THE EQUALITY COMMISSION - 2016/17

Mr McDermott presented the annual report* (FGP/9/17/7) which set out the Authority's compliance with its obligations under Section 75 and Schedule 9 of the Northern Ireland Act 1998, as outlined in the Authority's Equality Scheme. The annual report had been completed in line with the template provided by the Equality Commission.

Mrs Lavery provided a brief report on the activities undertaken by the Authority in respect of its equality commitments in 2016/17.

A Member queried if the report had been rural proofed. Mr McDermott said that the annual report was a summary of actions and activities undertaken during the course of the year. However, he required to the requirement on the Authority to formally commence rural proofing in 2018.

The Committee agreed the annual report and requested that a reference to the new requirement on rural proofing should be included at the end of the report.

Action: Reference to the new rural proofing requirement in 2018 to be included at the end of the annual report.

10. FINANCE

10.1 2017/18 FINANCIAL POSITION

RECURRENT REPORT : FOUR MONTHS TO 31 JULY 2017

Miss Bill said that the 2016/17 final outturn had been submitted to DE on 27 July 2017 reporting a total DE recurrent overspend of £19.292m. She reminded Members that this had arisen mainly as a result of a reduced allocation in 2016/17, the Authority's limited ability to control in year spending due to the delegated nature of budgets to schools, and increased demand in statutory and contract based services.

As previously notified to Members, DE's letter of 22 June 2017 had set out the initial DE Schools' Recurrent allocation of £1,167,500k. The EA Block Grant allocation was £533.8m and the Earmarked allocation was £89.7m (Appendix 2*). The initial Youth Service budget allocation, as set out in DE's letter of 26 July 2017, was £32.6m which included £3.8m for Targeting Social Need and an Earmarked allocation of £3.4m. Miss Bill said that Youth recurrent expenditure was anticipated to come in on budget.

Miss Bill said that the initial EA Block Grant requirement for 2017/18 was estimated to be £575.888m based on a minimum scenario. When compared to the initial Block Grant allocation from DE, this gave rise to a shortfall in funding of £42m. As notified to Members previously on 10 August, the estimated funding gap arose mainly as a result of general pay and price inflation, increases in school deficits, increases in demand for statute and contract based services (special educational needs and welfare related services such as free school meals), pressures on EA services (school development and music services), and new costs and taxes (the apprenticeship levy and banking fees).

The Committee noted the financial forecasts as shown in the paper* (FGP/9/17/9.1) including the MEMR* (Appendix 1).

Miss Bill said that DE had asked the EA to present the Block Grant budget forecasts on the basis of the estimated minimum funding gap (£72m) before savings were applied. She referred to Appendix D* setting out savings of £28m that had been agreed previously. This included £21m savings (Annex B of DE's allocation letter of 22 June) and additional savings of £7m, as discussed and agreed at the budget workshop held on 10 August.

Miss Bill referred to the significant risks associated with the deliverability of the profiled savings and the risks around the forecast profile.

Members discussed the challenges associated with the schools' declining financial position and rising school deficits. Miss Bill referred to the financial planning letters issued to schools on 27 June 2017. Schools had been requested to live within their common funding formula allocation for the year, ie not to increase their deficit. She said that the 168 schools which had received a letter where there were serious concerns about the level of deficit (greater than 5% / £75k) had been requested to submit their three year financial plans to the EA by 11 August 2017. She said that LMS officers had actively engaged with these schools. The remaining schools had been required to submit

their budgetary plans to the EA by 31 August 2017. She said that an analysis of the financial position of schools was currently being undertaken.

In response to a Member, Mr Boyd undertook to provide a report on the number of schools which it was considered would be unable to live within their common funding formula allocation in the current year.

A Member queried the availability of funding for voluntary severance. Mr Boyd confirmed that such funding was available as part of the Transformation Programme.

Miss Bill said that the Block Grant allocation (£533.8m) included funding of £25.5m for new responsibilities including Voluntary Grammar and Grant Maintained Integrated (VG / GMI) schools. Members discussed the role of the EA Accounting Officer for all monies passing through the Authority to VG / GMI schools. Miss Bill referred to the autonomous nature of these schools, they worked on a cash grant basis and had responsibility to manage their own internal and external audits. A Member queried whether information could now be provided to the Authority on the Annual Accounts of these schools. It was noted that (as discussed at the Audit and Risk Assurance Committee) the NIAO would be seeking assurance on the controls put in place by the EA following the transfer of audit responsibilities on 1 April and would be reviewing whether these schools were being treated consistently. Miss Bill said that it was expected that the Authority should be able to rely on the audit work carried out in these schools by independent qualified professionals operating to public sector standards. She referred to work which would be necessary to ensure consistency across these schools in preparing their accounts. Mr Boyd said that he understood that the Internal Audit Programme for 2017/18 included an audit of the VG / GMI transition and control of responsibilities.

A Member sought and received information in respect of the application and commitment given by the Authority to its Section 75 responsibilities.

The Committee noted that the financial position remained extremely challenging and that the EA was unlikely to live within its present recurrent budget without access to additional recurrent resources. Miss Bill said that officers would continue to monitor forecasts and engage with DE officials on the financial position and the underlying strategic issues.

***Action:** Provide a report to the Committee on the number of schools which are unable to live within their common funding formula allocation in the current year.*

10.2 UPDATE ON FINANCIAL PLANNING FOR 2018/19 AND 2019/20

Miss Bill advised that DE had written to the EA on 9 August 2017 to commission input on the 2018/19 and 2019/20 financial planning exercise. The working assumption for this exercise was that the EA Block Grant allocation for both years would be cash flat.

10.3 CAPITAL REPORT : FOUR MONTHS TO 31 JULY 2017

The Committee noted the capital report* (FGP/9/17/9.2) detailing spend as at 31 July 2017 (£14.034m) within the overall capital allocation (schools and youth) of £65.184m.

Miss Bill provided an overview of individual budget lines, advising where pressures and / or easements had been declared and approved by DE. She pointed out that no allocation had yet been received for Transport. It was noted that the Assistant Director

for Transport had agreed the priorities for vehicle replacement should funding be allocated.

(Mr Pollock left the meeting temporarily at 3.16 pm.)

A Member queried if information could be provided to Members on progress within individual projects. It was agreed that such tracking reports, which would outline progress on key milestones within individual projects, would be presented to the Education Committee on a half yearly basis.

Miss Bill said that capital allocations and spend profiles were being carefully monitored. Officers would continue to discuss capital progress with DE officials and were working to identify spending options for additional funding prior to year end.

Action: *Tracking reports, to include progress on key milestones within individual projects, to be presented to the Education Committee on a half yearly basis.*

10.4 TRUST AND ENDOWMENT ACCOUNTS 2016/17

The Committee noted the Annual Report and Accounts* (FGP/9/17/9.3). The Accounts would be submitted to the Northern Ireland Audit Office.

10.5 INITIAL CASH ALLOCATION 2017/18

Miss Bill said that DE had allocated the Authority an indicative cash limit of £725,000k for the period 1 April to 30 November 2017. This included the initial allocation of £403,272k on 30 March 2017 and an additional allocation in June 2017 of over £30m (to take account of the Authority's Rates bill and other factors such as pay increases arising from the previous financial year). The indicative cash allocation of £725,000k included the cash allocation for Voluntary Grammar and Grant Maintained Integrated (VG / GMI) schools up to 30 November 2017.

Miss Bill said that the total cash forecast for 2017/18 was £1,134,421k. This estimate took account of assumptions relating to previous trends in cash drawdowns, teaching and non-teaching pay increases, price increases, the impact of the new apprenticeship levy, cash requirements for VG / GMI schools, and anticipated voluntary exit scheme payments. Taking these factors into account, and other caveats relating to levels of demand and business need, the total cash estimated for the period 1 April to 30 November 2017 was £750,000k. This meant that the estimated additional cash requirement was £25,000k for the period up to 30 November 2017.

The Committee noted the total cash forecast for 2017/18 as set out in the paper* (FGP/9/17/9.4). It also noted that the actual cash drawdown and requirements would continue to be reviewed and that DE would be notified of any variances in spend and additional cash requirements.

(Mr Pollock re-entered the meeting at 3.26 pm.)

11. OPERATIONS AND ESTATES SERVICES

11.1 HEALTH AND SAFETY STATEMENT AND POLICY

Mr Sayers presented the draft policy* (FGP/9/17/10.1) outlining the Authority's approach, commitment and arrangements for managing health and safety. Particular mention was

made of the Statement of Intent which set out the Authority's aims for health and safety and which, if approved, would require the Chair and Chief Executive's signature.

On the proposal of Mr Pollock, seconded by Mrs Carville, the Committee agreed to recommend the adoption of the Health and Safety Statement and Policy.

11.2 ASSET MANAGEMENT – VACANT PROPERTIES

The Committee noted the paper* (FGP/9/17/10.2) detailing properties which had been disposed of in 2015/16 and 2016/17, properties which were being actively disposed of at present, and properties which were either being retained by the EA or where the disposal process had been unable to commence.

A Member commented that he would be interested, in any future paper, to be advised of where a property had been sold to.

In response to Members' queries, Mr Sayers provided updates on various legal challenges which were impacting on the process of disposal. The Chair of the Board emphasised the importance of the Authority continuing to proactively dispose of vacant properties. Mr Boyd said that the entire EA estate would be examined in order to ensure that all assets were managed efficiently and to identify further assets which were surplus to requirements.

Action: *Officers to continue to proactively dispose of vacant properties. Seek to identify further assets which are surplus to requirements.*

11.3 TENDERS

On the proposal of Mr Pollock, seconded by Rev Herron, it was agreed this discuss the tender reports in committee.

The Committee considered the tender reports* (FGP/9/17/10.3.1 and 10.3.2).

On the proposal of Mr Pollock, seconded by Rev Herron, it was agreed to resume the meeting.

The Chair reported that, while in committee, the following tenders had been approved on the proposal of Mr Pollock, seconded by Ms O'Connor:

- Woodburn Primary School major scheme - new build 7 classroom primary school
- Controlled Sector Construction Works: CfT 978910; CfT 980241

The following tenders had also been noted:

- Controlled Sector Construction Works (within approved delegated limits): EANI 921 962755; EANI 924 962906; CfT 927804; CfT 927729
- Goods and Services (under threshold): T70101B; T70262; T70300; T70305; T70310
- Goods and Services (select tenders): T70230; T70291; T70314; T73019;

11.4 CONTRACT DOCUMENTS

The Committee noted the paper* (FGP/9/17/10.4) containing information in respect of contracts signed and sealed.

Ms O'Connor left the meeting at 3.45 pm.

11.5 LAND AND PROPERTY TRANSACTIONS

Mrs Carville declared an interest in St Ronan's College, Lurgan.

Asset Disposal: Tullycarnet Primary School, Belfast; and former Kindle Primary School, Ballykinler

Wayleave Agreements: Cambridge House Grammar School, Ballymena; Newry High School; and Rossmar School, Limavady

Granting / Renewal of Licence and Legal Agreements: Carnalbanagh Primary School, Glenarm; and Saintfield High School

Granting of Easement: Riverdale Primary School, Lisburn; Straid Primary School, Ballyclare; Enniskillen Model Primary School; St Joseph's High School, Plumbridge – School Meals Kitchen; and St Eugen's College, Roslea – School Meals Kitchen; and Clandeboye Primary School, Bangor

Hire Agreement: St Ronan's College, Lurgan

Mr Sayers detailed the recommendations set out in the report* (FGP/9/17/910.6).

Members received clarification on the licence agreement concerning Saintfield High School, on reversionary clauses concerning the maintained school estate, and on the involvement of the Authority to proactively engage with District Councils to facilitate community planning where this was possible within the school estate.

On the proposal of Mr Pollock, seconded by Rev Herron, the Committee agreed to recommend the adoption of the transactions in the report.

Movilla High School, Newtownards

The Committee noted the initial request in respect of developing pitches on part of Movilla High School's site. Once a formal request was presented to the Authority on this matter, a report would be provided to the Committee for consideration.

11.6 BUSINESS TRANSACTED OVER THE SUMMER MONTHS

The Committee noted the paper* (FGP/9/17/10.6) setting out the following business transacted on the Committee's behalf during July and August:

- Controlled Sector Construction Works (tenders above threshold): EANI 813; EANI 834; EANI 880
- Goods and Services (tenders above threshold): T70201; T70267; T70268; T70269; T70274; T70278; T70279; T70287; T70301; T70307; T70306
- Asset Disposal: Greenwood Primary School, Belfast
- Notice to Quit: Ulidia Resource Centre, Belfast
- Wayleave Agreement: Land at Ballykeel playing fields, Ballymena

12. HUMAN RESOURCES

12.1 ASSISTANT DIRECTOR DEVELOPMENT PROGRAMME

Mrs Duffield presented a paper* (FGP/9/17/11.1) providing details of the initial development programme for the Assistant Directors commencing in October 2017. The Committee noted that 17 of the 19 Assistant Directors would be appointed by October 2017.

Members welcomed and supported the development approach outlined in the paper.

12.2 BUSINESS PLANNING AND CORPORATE DEVELOPMENT TEAM - UPDATE ON RESTRUCTURE

Mrs Duffield said that the Central Management Support Unit and Corporate Development Officers currently reported to the Change Director. Discussions were currently taking place with those officers on new reporting arrangements from 1 October 2017.

Mrs Duffield advised that it was intended that the service areas relating to business planning and performance would transfer to the Director for Operations and Estates from 1 October 2017. This area would be developed to improve corporate strategic requirements. It was further intended that the service areas relating to equality and strategic planning, which incorporated the wider organisational development, would transfer to her own Directorate.

13. ANY OTHER NOTIFIED BUSINESS

ST RONAN'S COLLEGE, LURGAN

A Member referred to the work to decant from three school sites to two sites as part of the enabling works for the major contract at St Ronan's College. She paid tribute to those involved in the enabling works, particularly the leadership given by EA officers, which had facilitated a smooth return to school for pupils and staff on 1 September.

14. DATE OF NEXT MEETING

The next meeting would be held on 3 October 2017.

The meeting ended at 4.10 pm.

Chair

Date

* Paper circulated