

**MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 6 MARCH 2018 AT 2.00 PM IN ANTRIM**

**1. PRESENT** Dr I McMorris (Chair)

Mr J Craig	Sir Gerry Loughran
Mrs P Carville	Ms S O'Connor
Mr G Doran	Ms N Toman

**2. IN ATTENDANCE**

Mr G Boyd, Miss J Bill, Mr J Collings, Mrs C Duffield, Mrs S Mooney, Mr M McDermott, Ms L McCall and for part of the meeting Ms S Long, Mr R McGreevy, Mr R Sayers and Mr P Canavan.

The Chair welcomed Mrs Mooney to her first meeting of the Committee.

**3. APOLOGIES**

Apologies had been received from Rev R Herron and Mr R Pollock.

**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 6 FEBRUARY 2018**

The Committee approved the minutes\* (FGP/3/18/3) of the meeting held on 6 February 2018 on the proposal of Mr Craig and seconded by Mr Doran.

**6. MATTERS ARISING FROM THE MINUTES**

**6.1 LAND AND PROPERTY TRANSACTION - FORMER SCRABO HIGH SCHOOL (6.2)**

It was noted that as the buy-out of the profit share and restrictive covenant was directly related to the sale of the asset, the receipt would be treated as capital and returned to DE.

**6.2 INDICATIVE BUDGETS FOR NON-DEPARTMENTAL PUBLIC BODIES BASED ON THE DEPARTMENT OF FINANCE BRIEFING DOCUMENT (9.1)**

Miss Bill advised that a letter would be issued to DE in the following weeks outlining the implications of the proposed budget scenarios on services and on maintaining and sustaining educational outcomes for children and young people.

*The Committee agreed to consider agenda items in the following order.*

**7. HUMAN RESOURCES : ENDURING HR STRUCTURE**

The Committee, at its meeting on 4 April 2017, had noted arrangements for the transitional functional structure of the HR Directorate.

Mrs Duffield presented a paper\* (FGP/3/18/8.4) setting out information on the enduring functional structure for HR and the operating model. The paper included arrangements for posts below Director and Assistant Director and the process for appointment of those posts. Mrs Duffield said that HR, in the past year, had sought to deliver core and essential business, support the transformation of other directorates as part of the wider change agenda across the

EA, and undertake a formal review within its own directorate in order to regionalise and transform services.

Mr Canavan said that the formal review had included people and operating models; policies, processes and services; customers and context; and technology, data and management information. He outlined key changes within the enduring structure. These related to the creation of an employee relations function, a management information team and a core health and wellbeing team.

The Chair of the Board welcomed the focus being given to support schools through the creation of the employee relations function.

Mr McGreevy provided detail on posts within HR Services & Corporate HR and Business Partnering, including engagement undertaken to date with Trade Unions and staff. He drew attention to constraints in the structure due to the operation of five separate HR systems. He also outlined the outcome of the equality screening exercise undertaken on this matter.

A Member queried if Members could have sight of all future equality screening exercises for information purposes. This was agreed. The Member also asked if the Board could receive a progress report on organisational structures across all the Directorates. Mr Boyd confirmed that an overview across all the Directorates would be provided to Members in May / June.

The Chair commended the new operating model.

A Member queried the rationale behind the proposal to establish a smaller team for health and wellbeing. Mrs Duffield said that the new arrangements would facilitate clear lines of responsibility. The health and wellbeing team would focus on strategic issues, including wellbeing initiatives, assisting managers in schools and EA offices with absence management and engagement with the Occupational Health provider. All other staff currently supporting this work would transfer to HR Services (transactional activity) and would continue to support this area of work along with other areas of transactional work within HR.

The Committee noted the paper.

**Actions:** *All equality screening exercises to be made available to Members for information; Board to receive a progress report on organisational structures across all the Directorates in May / June.*

## **8. FINANCE**

### **8.1 2017/18 FINANCIAL POSITION**

#### **RECURRENT REPORT : TEN MONTHS TO 31 JANUARY 2018**

Mr Boyd said that it was anticipated that the 2018/19 Budget would be announced by DE within the following week. A budget workshop would be held for all Members as soon as possible to consider the Board's financial plan.

Mr Boyd said that plans were in place to engage with schools following receipt of the 2018/19 Budget. A series of roadshows would take place with school leaders the week beginning 19 March 2018. Officers would engage with schools, which would be grouped into categories depending on the state of their financial health, to enable targeted support as quickly as possible. He said that officers would also use the opportunity to highlight to principals that the financial position at centre remained extremely challenging and unsustainable.

Miss Bill presented the financial forecasts, based on information available, as shown in the paper\* (FGP/3/18/6.1) including the MEMR\* (Appendix 1). The total 2017/18 budget for the Schools' Delegated Budget was £1,175.5m (including Voluntary Grammar and Grant Maintained Integrated schools) with a Block Grant allocation of £540.37m.

Miss Bill said that there was an estimated funding gap of £52.5m (excluding Earmarked) after the impact of additional budget allocations (£16.6m) received in December. The total funding gap comprised an estimated £2.5m for schools' delegated easement and an estimated £55m in the Block Grant after £26.3m of estimated savings had been applied.

Miss Bill said that the Aggregated Schools' budget was profiled at £2.5m (estimated) easement after the application of £8m received through December monitoring. She highlighted that a technical budgetary adjustment of £4m (estimated) for LMS capital was due to be transferred to the Block Grant to account for schools' expenditure on capital items which would result in an estimated pressure of £1.5m. Consideration would be given to managing the £8m available for surplus drawdown whilst taking account of the implications of schools performing stock counts. She said that a letter would issue to schools to commission the stock count and would highlight the positive impact of this exercise for schools.

Miss Bill said that, as at 26 February 2018, 1009 schools (99%) had met EA officers to discuss their financial plans. Of this number, 916 plans (90%) had been approved by respective Boards of Governors. Miss Bill said that letters continued to be issued to schools where plans were approved or to advise that their submitted plans had not been approved at this stage as they exceeded the 2017/18 CFF allocation. She highlighted that officers continued to work to support these schools.

A Member referred to concerns raised by schools about their access to surplus drawdown and she sought clarity on this process in the current year. Mr Boyd said that £8m had been made available in the December monitoring round for school surplus drawdown. Miss Bill provided assurance that schools would have access to accumulated surpluses in 2017/18. The actual amount of surplus used by individual schools would be confirmed once year end processes were complete.

During December 2017, additional earmarked allocations of £300k had been received (Appendix 2). The Committee noted that EA was expecting to receive a number of earmarked allocations from DE which would address pressures shown with the exception of Maintenance which was showing a £2m pressure. Miss Bill advised that officers continued to highlight to DE the significant pressures on Maintenance and the impact that delaying Maintenance would have on the estate and future costs.

A Member referred to the shortfall on budget transferred to EA in relation to VG / GMI schools (£7.059m). Mr Boyd confirmed that this pressure was being met within the Block Grant. He said that discussion would continue with DE officials on approaches to be taken in respect of the 2018/19 financial year.

Miss Bill said that the scale of the financial risk continued to be high. She said that over 70% of the savings were rated amber or red in terms of delivery. She advised that an estimated £11.6m of the savings were predicated on stock valuations in schools at year end.

Miss Bill drew attention to some additional unallocated resources held by DE. She said that, based on various assumptions (the receipt of the additional unallocated DE resource, all savings achieved, schools living within current estimates, and all other

assumptions held), the Block Grant could show an overspend at year end in the region of £20m.

Mr Boyd advised that he continued to sign the MEMR on the basis that EA could not live within its budget.

The Committee noted the unsustainable financial position for 2017/18. It noted that while EA was controlling costs, it could not deal with the significant reduction of spending power in budgets, the increasing demand for policy, statute and contract based services and structural matters which highlighted a clear need for transformation.

## **8.2 CAPITAL REPORT - TEN MONTHS TO 31 JANUARY 2018**

The Committee noted the capital report\* (FGP/3/18/6.2) detailing spend as at 31 January 2018 (£38.444m) within the overall capital allocation (schools and youth) of £66.262m.

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 Minor Works / Other Capital reflected a technical budgetary adjustment of £4m (estimated) for LMS capital which was due to be transferred to the Block Grant to account for schools' expenditure on capital items.

It was noted that the business case for Transport had been approved and an allocation (£1.928m) had been received to facilitate the purchase of 22 replacement buses.

The Committee noted it was anticipated that in all areas, based on the information available, budgets would be fully spent by 31 March 2018. Miss Bill said that capital allocations and spend profiles continued to be carefully monitored and reported to DE.

## **9. OPERATIONS AND ESTATES SERVICES**

### **9.1 OPERATIONAL REPORT**

The Committee noted the financial report\*\* on Transport, Facilities Management and Maintenance detailing spend to date and projected spend to year end within budget lines.

Members discussed the size of EA's fleet of buses and the risks associated with an ageing fleet. Mr Boyd said that this area, along with Maintenance, required careful monitoring.

*(Mr Craig left the meeting temporarily at 2.50 pm.)*

At the request of the Chair, Ms Long undertook to present an analysis of the Maintenance budget to the Committee along with an evaluation of the maintenance backlog.

**Action:** *Committee to receive an analysis of the Maintenance budget along with an evaluation of the maintenance backlog.*

### **9.2 TRANSPORT & INFRASTRUCTURE AND CAPITAL DEVELOPMENT – FOURTH AND FIFTH TIER STRUCTURES**

Ms Long presented papers\* (FGP/3/18/7.2) setting out proposals in respect of fourth and fifth tier structures for Infrastructure & Capital Development and Transport, the principles underpinning the development of the proposed structures and the consultation process involving Trade Unions and staff. It was noted that as the restructuring involved

functional and task changes and no movement of staff, it was considered that the proposals would not have any equality impacts for staff.

*(Mr Craig re-entered the meeting at 2.56 pm.)*

An outline of planned changes within both Transport and Infrastructure and Capital Development was provided. Ms Long said that it was anticipated that the cost of staffing would be met from within existing resources.

A Member highlighted the importance of informing schools and other stakeholders of the new organisational structure along with relevant contact details. Ms Long confirmed that the Corporate Leadership Team would ensure that schools were informed of all new organisational arrangements within EA.

The Committee noted the papers.

### **9.3 PROFESSIONAL STAFF WITHIN INFRASTRUCTURE AND CAPITAL DEVELOPMENT**

Mr Sayers presented a paper\* (FGP/3/18/7.3) setting out the number of staff within Infrastructure and Capital Development who held a professional qualification in architecture and surveying. He said that this cohort of staff was employed to primarily lead on the management and oversight of the delivery of multiple capital works in line with Central Procurement Directorate (CPD) governance requirements. The work included supporting DE to deliver its non-controlled Major Work Programme and the Schools' Enhancement Programme in line with the Memorandum of Agreement between DE and EA.

Members discussed the need for the EA, in any programme management or oversight role, to engage as an intelligent customer and to ensure value for money. In response to Members' queries, Ms Long advised that CPD requirements and expectations arising from the CoPE re-accreditation process supported the employment of the number of staff in this section with a professional qualification. Members also discussed the tension between employing core professional staff and procuring professional services at times of additional workload.

Mr Sayers outlined challenges involved in benchmarking this cohort of staff with other public sector bodies in Northern Ireland. A Member considered that other jurisdictions, such as Wales or Scotland, should be examined in order to provide benchmarking information. The Chair requested officers to benchmark the resource with other jurisdictions and report back to the Committee.

**Action:** *Benchmarking exercise to be carried out on the number of professional staff in a construction related discipline against other jurisdictions.*

### **9.4 USE OF SOCIAL CLAUSES WITHIN PROCUREMENT**

Ms Long presented a paper\* (FGP/3/18/7.4) giving an overview of the use and management of social clauses within EA procurement.

The Committee noted the paper.

## **9.5 TENDERS**

The Committee considered tender reports\* (FGP/3/18/7.5.1 and 7.5.2).

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

- Construction Works - EANI 865.
- Goods and Services (above threshold) - 70335; 70350; 70362.

The following tenders were noted:

- Controlled Sector Construction Works (within approved delegated limits) - CfT EANI 1069; CfT EANI 1153; CfT EANI 1156; CfT EANI 1157; CfT EANI 1161; CfT EANI 1164; CfT EANI 1175; CfT EANI 1190.
- Goods and Services (under threshold) - 70173.
- Goods and Services (awarded from collaborative contracts) - 984794; 70391; ID567649.
- Goods and Services (awarded from external framework) - RM3733.

## **9.6 CONTRACT DOCUMENT**

The Committee noted the paper\* (FGP/3/18/7.6) containing information in respect of contracts which had been signed and sealed.

## **9.7 LAND AND PROPERTY TRANSACTIONS**

Ms Long detailed the recommendations set out in the report\* (FGP/3/18/7.7).

The Committee agreed to recommend the adoption of the transactions in the report as follows:

- on the approval of Ms O'Connor and seconded by Mrs Carville:  
Granting / Renewal / Surrender of Leases: Banbridge Youth 'The Every Night Project', 1 Rathfriland Street, Banbridge; Thornfield House School; St Matthew's Primary School, Garvaghy (school meals kitchen).  
Grant of Easement: Riverdale Primary School, Lisburn.  
Granting / Renewal of Licence Agreement: Cregagh Youth and Community Centre; Irvinestown Youth Club.
- on the approval of Mr Craig and seconded by Mr Doran:  
Acquisitions: Down High School.

## **10. HUMAN RESOURCES (Continued)**

### **10.1 AUDIT OF INEQUALITIES INCLUDING DRAFT EQUALITY ACTION PLAN 2018-22 AND DRAFT DISABILITY ACTION PLAN 2018-22**

Mr McDermott said that the Committee, at its meeting on 9 January 2018, had considered the Audit of Inequalities and had requested that further consideration should be given to the robustness of the surveying methodology.

Mr McDermott outlined the extent of the research and evidence used to inform the audit. He advised that the Audit of Inequalities had been amended to provide information on the impact of socio-economic matters relating to children and young people. He said that,

following discussion with officials from the Equality Commission, this information had been provided within the section entitled 'Age'.

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend that the Board should approve the Audit of Inequalities\* (FGP/3/18/8), the draft Equality Action Plan 2018-22 and the draft Disability Action Plan 2018-22.

The Committee noted that, following Board approval, the plans would be subject to a twelve week public consultation process.

## **10.2 CONTRACTUAL ISSUES**

The Committee agreed to discuss this matter in committee on the proposal of Mrs Carville and seconded by Mr Craig.

Mrs Duffield provided a report on the matter.

The Committee agreed to resume the meeting on the proposal of Ms O'Connor and seconded by Mrs Carville.

While in committee, the Committee had noted the progress made in this area which included the preparation of a draft business case which would be submitted to DE for consideration. It had also noted that a level of risk remained relating to the wider cohort of staff.

## **11. DATE OF NEXT MEETING**

The next meeting would be held on 10 April 2018.

The meeting ended at 3.40 pm.

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Chair

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Date

\* Paper circulated

\*\* Paper tabled