

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 7 FEBRUARY 2017 AT 2.00 PM IN ANTRIM BOARD CENTRE

1. PRESENT Dr I McMorris (Chair)

Mrs P Carville	Sir Gerry Loughran
Mr G Doran	Mr R Pollock
Rev R Herron	Ms N Toman
Mrs N Lappin	

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mr J Collings, Mrs C Duffield, Ms S Long, Mr P O'Neill and Ms L McCall.

3. APOLOGIES

Apologies had been received from Mr J Craig and Ms S O'Connor.

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 10 JANUARY 2017

A Member queried the total bids submitted to DE as part of the January monitoring round. Subject to confirmation of this amount, the minutes* (FGP/2/17/3) of the meeting held on 10 January 2017 were approved as an accurate record on the proposal of Mrs Carville, seconded by Rev Herron.

Action: Confirm total bids submitted to DE as part of January monitoring.

6. MATTERS ARISING FROM THE MINUTES

6.1 ONLINE ADVERTISING SERVICE (9.2)

Mrs Duffield reported that a Head of Records had been appointed who would have responsibilities for the management of the EA website. It was envisaged that a member of staff within this area would take forward work to develop the EA website on a functional basis.

Mrs Duffield advised that officers would be exploring opportunities to charge Education partners for availing of the online advertising service

6.2 FAIR EMPLOYMENT AND TREATMENT (NORTHERN IRELAND) ORDER 1998 - THE TEACHERS' EXCEPTION (9.3)

The Board had discussed this matter at its meeting on 26 January 2017 and had agreed that the Membership and Teaching Appointments Committee was the most appropriate forum to consider a draft EA Response on the Teachers' Exception. The Chair said that all Board Members had been requested to submit their views on the Teachers' Exception to

officers by 3 February 2017 in order to assist with the compilation of the draft Response.

It was noted that the next meeting of the Membership and Teaching Appointments Committee was 23 February 2017.

6.3 INVESTING IN THE TEACHING WORKFORCE – PILOT SCHEME (10.2)

The Chair reported that the Scheme and its associated risks had also been discussed by the Audit and Risk Assurance Committee and the Membership and Teaching Appointments Committee at their respective meetings in January.

Mrs Duffield said that a constructive meeting had taken place on 30 January 2017 between DE, CCMS and EA officers to discuss the Scheme further. It had been advised that the Scheme had been endorsed by the Attorney General and was dependent upon stakeholders adhering to the conditions of the Scheme. This was of course subject to the outcome of the judicial review hearing on 20 February. She said that EA would now focus on supporting the full implementation of the Scheme and supporting Boards of Governors in undertaking their duties within the Scheme.

Members discussed the timeframe for the Scheme's implementation in the current year, pending the outcome of the judicial review hearing. Mrs Duffield said that schools had received the timetable advising that permanent teachers should be released by the end of the academic year and that the recruitment process for newly qualified teachers (between 2012 and 2016) was also required to be complete by 31 August 2017. Members noted the impetus on Boards of Governors to commence the process to recruit newly qualified teachers in March.

The Membership and Teaching Appointments Committee would receive a report on the outcome of the judicial review hearing at its next meeting on 23 February.

7. CHAIR'S BUSINESS

ASSEMBLY ELECTION ON 2 MARCH 2017

The question of considering key items of Committee business while there was no political representation on the Board was raised. Mr Boyd said that DE had indicated that it would issue guidance shortly on this matter to the Authority. He said that the Chair of the Board intended to raise this matter with the Board at its meeting on 23 February 2017.

8. BUDGET 2016/17 and 2017/18

Miss Bill said that in light of the current political process there was no January monitoring and no Spring supplementary estimates. While there would be overspends and underspends within Government Departments at year end, there was no facility to redistribute any funds between Departments and their funded bodies or to adjust budgets. She advised that she had raised with matter with DE to establish how this would be treated at year end for outturn and accounts purposes. The EA was awaiting clarification from DE on the budgetary process for 2017/18 and DE was engaging with the relevant parties on this matter.

Members queried the impact on schools of a late notification of the budgetary position.

Miss Bill said that schools were required to plan and spend within their budgetary allocations. The projected schools' year end position was indicating that schools expected to draw down £10m of their accumulated prior surpluses. As part of June 2016 monitoring, £5m had been received from DE to address the school surplus draw down. While a bid had also been submitted for January monitoring, the EA did not expect to receive the remaining £5m as there would be no outcomes from January monitoring. The EA would therefore engage with schools on controlling spend as far as possible in the current financial year. Mr Boyd said that a draft letter for schools setting out this position was currently being shared with DE colleagues.

Miss Bill said that she was engaging with DE colleagues to discuss the approach to 2017/18 for schools given the current budget position for 2017/18.

Members requested that the Committee's level of concern be conveyed to DE with regard to schools receiving late notification of their budgets for planning purposes.

Action: *Committee's concerns to be conveyed to DE on the impact of schools receiving late notification of their budgetary allocations.*

9. FINANCE

9.1 RECURRENT REPORT : NINE MONTHS TO 31 DECEMBER 2016

Miss Bill presented the recurrent report* (FGP/2/17/7.1) detailing spend as at 31 December 2016 and the projected spend to year end (Appendix 1). Members noted that the December MEMR was the first MEMR to be produced on the single accounting system. Miss Bill pointed out that it was not easy to compare the November MEMR and the December MEMR as funds which had been previously earmarked were now included in individual budget lines.

The allocation for Schools' Delegated Budgets was £904.478m. The Committee noted the pressure of £5m which reflected the bid submitted as part of January monitoring. Miss Bill said that the EA was monitoring spend in this area carefully and was engaging with DE officials on this.

The Earmarked allocation was £58.697m. The Committee noted the projected £7.916m pressure on the Earmarked budget which related to costs associated with the release of non-teaching staff through the voluntary exit scheme (£4.518m) and a pressure within School Maintenance (£3.407m). It was anticipated that the costs associated with the voluntary exit scheme would be met in full. Members noted that the School Maintenance pressure had reduced to £3.407m in December after considering that around £1.6m was more appropriately shown as capital where work had resulted in improved performance rather than a repair. Miss Bill said that actions were being taken to minimise spend on Maintenance.

Appendix 2* detailed the total monies available to DE Schools and DE Youth.

The EA Block Grant was detailing an estimated overspend of £6.801m. This comprised pressures in the areas of Special Schools (£1.521m), resources held at centre (£5,126m) and centrally held resources (£154k). Bids for these areas had been submitted as part of January monitoring.

Miss Bill pointed out that savings estimated at £35.181m had been applied to the EA Block Grant. These included savings of £10.669m based on the August 2016 long list of savings estimates (Appendix 3) and estimated savings of £24.512m based on the decisions taken

by the Board on 24 November 2016 (Appendix 4). She said that this figure included measures which had been included in EA's options for 2017/18 and advances to meet school deficits.

A Member queried the current position with regard to using advances to meeting school deficits. Miss Bill said that the EA was discussing this matter with DE. The Member highlighted the significance of this matter on schools and stated that schools should be advised of this consideration as soon as possible. Discussion ensued in relation to controls placed on schools to manage within their own resources.

Miss Bill said that officers would continue to take forward the actions relating to savings. These actions would include monitoring the level of spend on capital items by schools (recurrent to capital); ongoing discussions with the PPP / PFI provider; voluntary exit applications; monitoring the levels of attrition to year end; and bearing down on all costs including special needs.

The DE Youth allocation was £34.042m. It was anticipated that this budget would come in on target at year end. DE Youth capital was also forecast to come in on target at year end.

Miss Bill advised that there remained significant financial challenges for 2016/17.

The Committee noted the estimated outturn recurrent position of £19.722m. This figure was expected to reduce by £4.518m as DE had indicated that it would meet the costs associated with the voluntary exit scheme. The overall figure also took account of approximately £8m savings where deficits had been treated as advances.

9.2 CAPITAL REPORT : NINE MONTHS TO 31 DECEMBER 2016

The Committee noted the capital report* (FGP/2/17/7.2) detailing spend as at 31 December 2016 (£47,405) within the overall capital allocation (schools and youth) of £87.388m. The Committee further noted an overall decrease in the budget of £173k on the previous month and the £4.172m spend that had occurred since the previous month.

Miss Bill provided an update on individual budget lines, advising where pressures and / or easements had been declared and approved by DE. Members noted that, with the exception of spend associated with furniture and equipment at a special school within the Shared Education Campus Project, it was anticipated that all individual budget lines would be fully spent by 31 March 2017. DE had received notification of this easement.

Miss Bill said that work was ongoing within Minor Works / Other Capital to monitor the movement from recurrent to capital. This was subject to change due to schools placing orders for equipment through their LMS delegated budgets and the subsequent adjustments to the capital budget.

Miss Bill said that officers would continue to monitor spend and discuss capital progress with DE officials.

10. HUMAN RESOURCES

10.1 ASSISTANT DIRECTORS - RECRUITMENT UPDATE

Mrs Duffield presented the paper* (FGP/2/17/8.1) which set out the timeline and methodology to be used to internally trawl for the posts of Assistant Director from 20 February 2017. She reported that the management of change process was continuing.

She referred to the number of officers who were declared at risk of redundancy and said that the EA was committed to the process of consultation and negotiation with individuals and Trade Unions to explore all options available for those senior officers. Mrs Duffield said that the Trade Unions had raised a number of issues in relation to the implementation of the Assistant Director structure. She advised that a constructive meeting had taken place on 11 January with the Trade Unions and a further meeting was taking place on 9 February.

The Committee noted the progress in this matter and the arrangements for the recruitment and selection process for the posts of Assistant Director, including the composition of the selection panels.

10.2 VOLUNTARY EXIT SCHEME - SUMMARY POSITION 2016/17

The Committee noted the table* (FGP/2/17/8.2) which summarised the actual and forecast staff exits for 2016/17 within the voluntary exit scheme.

Mrs Duffield said that the scheme was funded from the Transformation Fund. She assured Members that each application to the scheme was scrutinised by a panel comprising the Director of Finance and herself. She outlined the criteria used by the scrutiny panel as part of the assessment process.

Members noted that 100 full time equivalent staff would exit in 2016/17, equating to £3.381m savings. An outline of the 100 FTE staff within each Directorate was provided.

A Member queried the process to ensure work was covered when staff were released within the scheme. She referred particularly to areas, such as Area Planning, where programmes of work were expected to accelerate. She also sought assurance that no additional resource would be requested in the future in areas where a post had been suppressed. Mrs Duffield said that a post was only suppressed where it created efficiencies, either the work was no longer required or the work was dispersed. Mr Boyd said that he anticipated that staff would continue to be released within the scheme. He also anticipated that, in line with the Authority's priorities, there would be recruitment into new areas or where the skillset required additional support to deliver in new areas. Mrs Duffield confirmed that the scrutiny panel would ensure that staff would not be released where redeployment could take place.

11. OPERATIONS AND ESTATES SERVICES

11.1 HOME TO SCHOOL TRANSPORT - INTRODUCTION OF CHARGES

A paper* (FGP/2/17/9.1) on proposals to introduce charges for home to school transport had issued with the Committee agenda.

Ms Long said that due to the Assembly Election on 2 March and the necessity to consult on any proposed changes to existing practices within the required timeframe, the Authority would not be in a position to implement any changes on home to school transport by 1 September 2017. She said that officers would review the proposals and present a more comprehensive report to the Committee at a future meeting for consideration. Mr Boyd said that in the absence of a budget, it would be challenging for the Committee to decide on which option was preferred or necessary. The Committee agreed to this approach.

Ms Toman wished to record that she did not support the introduction of transport charges.

Reference was made to The Education and Libraries (Northern Ireland) Order 1986 relating to transport considerations. Ms Long advised that she was engaging with DE officials on whether the proposals constituted a policy or legislative change.

Action: *Committee to receive a further revised paper on Transport for consideration at a future meeting.*

11.2 CENTRE OF PROCUREMENT EXPERTISE - EXTERNAL ASSESSMENT

Ms Long said that the Authority had sought the support of the Central Procurement Directorate (CPD) to facilitate an initial informal review and assessment of the Authority's procurement activities in order to benchmark the Authority's readiness to be recognised as a Centre of Procurement Expertise (CoPE) for supplies and services. In January 2016, DE had asked the Authority to proceed to scope the work required and the timescales for achieving full CoPE accreditation for supplies and services.

Ms Long presented the paper* (FGP/2/17/9.2) setting out the background to the CoPE accreditation process, the steps taken by the Authority to date to seek to secure CoPE status and the next steps in the review.

Ms Long said that the independent assessment facilitated by CPD had been carried out during the previous week and verbal feedback had been received. While the independent assessors had been assured with the Authority's procurement practices, they had indicated that the Authority was not yet meeting the necessary standards for CoPE accreditation. She said that an action plan would be drawn up on the basis of that independent assessment which would assist the Authority in moving forward with the accreditation process. The Committee would be kept apprised of developments.

11.3 TENDERS

On the proposal of Mr Pollock, seconded by Mrs Carville, it was agreed to discuss the tender report in committee.

The Committee considered the tender reports* (FGP/2/17/9.3.1 and 9.3.2).

On the proposal of Mrs Carville, seconded by Mr Pollock, 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 Doran, seconded by Mrs Lappin:

- Construction Works: EANI 665.
- Goods and Services: T70242.

The following tenders had also been noted:

- Goods and Services (delegated arrangements): T70203; T70216; T70223; T70226;
- Goods and Services (select tender): T70232.

11.4 CONTRACT DOCUMENTS

(Mrs Lappin declared an interest in Lurgan Junior High School.)

The Committee noted the paper* (FGP/2/17/9.4) containing information in respect of contracts signed and sealed.

11.5 LAND AND PROPERTY TRANSACTIONS

Lease Agreement: Arvalee School and Resource Centre; Kilcooley Primary School; Ballyvester Primary School.

Licence Agreement: Enniskillen Model Primary School; Desertmartin Primary School; Macosquin Primary School; Breda Academy.

Wayleave Agreement: Enniskillen Model Primary School; Clifton School.

Asset Disposal: Land adjacent to Cambridge House Grammar School; Castle Tower School, Beechgrove / Dunfane Campus.

Ms Long outlined the recommendations set out in the report* (FGP/2/17/9.5).

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

11. ANY OTHER BUSINESS

PRINCIPALS AND VICE-PRINCIPALS - INCREMENTAL SALARY PROGRESSION

A Member queried the Authority's position with regard to agreeing to a request from a Board of Governors for incremental salary progression for a principal and / or vice-principal of a school where the school was in financial deficit or was moving into financial deficit. She asked if the Authority had initiated a change in policy in this area.

Mr Collings said that the Authority's position on this matter had not changed. It was based on the positions taken by the former Education and Library Boards. In 2012 the ELBs had issued guidance to schools on formulating and implementing a salary policy for principals and vice-principals. In essence, the guidance had stated that any proposed increase in salary had to be affordable in line with the school's current budget and future budgetary projections and compatible with the DE guidance on particular financial management arrangements as set out in the Common Funding Scheme. He advised that Boards of Governors were obliged to comply with the guidance issued by DE, the former ELBs (and subsequently the EA) and CCMS.

Mr Collings said that some Boards of Governors had submitted recommendations for pay progression for principals where the school was in deficit or was moving into deficit as identified in their three year financial plan. These schools had been advised to review their budgetary position, taking account of the salary progression, and to resubmit a revised plan. In some cases this had proved successful and, in other cases, the financial plans had remained unchanged. He advised that while officers were working to ensure consistency in this matter across controlled and maintained schools, this approach might not be followed within the voluntary sector.

The Member queried the approach adopted within the voluntary sector. She considered that all principals, regardless of sector in NI, should be treated the same. She drew attention to difficulties that might arise in attracting a principal to a school where the school was already in financial difficulty or where a principal, facing significant area planning challenges, had no part to play in that deficit and had improved the financial position of the school, but the school remained in deficit. Mr Collings said that Boards of Governors did have some discretion in the starting salary when appointing a new principal. He was also mindful of the disincentive effect of delaying salary progression.

(Ms Toman left the meeting at 3.25 pm.)

Members highlighted the difficulties that some principals faced in raising the matter of salary progression with their Boards of Governors. They considered that a communication should issue to Boards of Governors to highlight their responsibilities in relation to salary progression for principals and vice-principals. Mr Collings said that he would ensure that this issue was included in the training programme for Boards of Governors. It was also the Authority's intention to correspond with all schools to remind them of the policy and the affordability issue in particular.

A Member received confirmation that retrospective payment could be given to a principal or vice-principal, based on the date of recommendation by the Board of Governors, where it had been identified that the post holder had achieved the performance objectives and where the school had moved to a position where it could afford those payments in line with their three year budgetary plan.

Action: *Incremental pay progression for principals and vice-principals to be included in the Governor Training Programme. All schools to be reminded of the guidance on formulating and implementing salary progression.*

12. DATE OF NEXT MEETING

The next meeting would be held on 7 March 2017.

The meeting ended at 3.35 pm.

Chair

Date

* Paper circulated