

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

1. PRESENT Dr I McMorris (Chair)

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

2. IN ATTENDANCE

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

3. APOLOGIES

Apologies had been received from Mrs M Culbert and Sir Gerry Loughran.

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 3 OCTOBER 2017

The minutes* (FGP/11/17/3) of the meeting held on 3 October 2017 were approved as an accurate record on the proposal of Mr Pollock and seconded by Mr Doran.

6. MATTERS ARISING FROM THE MINUTES

6.1 LICENSING REQUIREMENTS - SCHOOL MINIBUSES (8.2.1)

Ms Long reported that a letter had been received the previous day from the Department of Infrastructure (Dol) on licensing requirements and, in particular, the use of section 10B for school based staff who drove minibuses as part of their duties. In its letter, the Dol had indicated that it would work with stakeholders to facilitate transition. Ms Long said that clarity was needed on the content of the letter and on the actual consultation. She reported that a meeting was taking place to discuss these issues on 9 November 2017. This involved representatives from the Dol, the EA and all other key stakeholders. The Committee noted that the closing date for the consultation had been extended to 8 December 2017.

The Dol letter had also indicated that community and voluntary groups, where individuals drove minibuses for a non-commercial organisation, would not be impacted by the change in interpretation of the regulations.

A Member said that clarity was needed from the Dol on a non-commercial organisation. Members discussed disparities in legislation around the 10B driving licence and the adverse impact of a change in the interpretation of the regulations on Section 75 groups. Members highlighted the need for clarity in respect of parents operating minibuses as

volunteers, the validity of insurance cover and the impact of transition from an enforcement perspective.

Mr Boyd outlined his recent engagement with the Permanent Secretaries of the relevant Government Departments. School based staff who drove minibuses as part of their duties without the appropriate class of driving licence were not properly licensed. The DoI had indicated that school based staff were paid employees and were therefore not volunteers.

Ms Long outlined issues of affordability for schools to meet the new licensing requirements. She advised that officers were currently preparing tenders for training packages in order to support schools through the proposed changes in licensing requirements.

The Chair said that a progress report on the meeting with DoI on 9 November would be provided to the Board at its meeting on 23 November 2017.

Action: Report to Board on 23 November 2017 on outcome of meeting with DoI.

6.2 FREE SCHOOL MEALS (8.3)

Ms Long advised that the Head of Equality and Human Rights was compiling a report in response to the Member's particular query.

6.3 JNC CIRCULAR - DIGNITY AT WORK POLICY AND CODE OF PRACTICE (9.2.1)

A query had been raised at the last meeting on whether Board Members were classified as employees of the EA. Mrs Duffield confirmed that the Education Act (Northern Ireland) 2014 set out that Board Members were public office holders. Therefore, Members were not EA employees.

Mrs Duffield said that it was expected that all Board Members would adhere to the spirit of all codes of practice for staff.

7. HUMAN RESOURCES

7.1 NEW RECRUITMENT WEB PAGES - DEMONSTRATION

Mrs Palmer and Mr Canavan gave a demonstration on the new facility for individuals to apply on-line for all teaching and non-teaching posts within the EA through a single web page. On-line applications could now be accepted by email to a designated mail box.

Members were advised that the option remained for individuals to continue to apply for posts by means of a printed application form.

A Member drew attention to the layout of the application form which he considered would enable recruitment and selection panel members to discern more easily how candidates met the requirements of a post. It was noted that application forms were now restricted to a certain length.

It was pointed out that new on-line facility could be shared with other education partners. Mr Canavan said that further work was being carried out on the on-line tool to provide for enhanced user capabilities.

(During the presentation and subsequent discussion, Ms Toman left the meeting at 2.20 pm and re-entered at 2.23 pm. Mr Craig left the meeting temporarily at 2.23 pm.)

7.2 CONTRACTUAL ISSUES

Mr McGreevy presented the paper* (FGP/11/17/6.2) which provided a progress report on contractual issues relating to a cohort of school based employees. He outlined the actions being taken to address the matter.

The Chair received clarity on the extent of the financial risk which might arise as a result of increased employer costs.

The Committee noted the actions being taken to resolve the matter and the estimated potential financial risks. It noted that DE was being kept informed of the risks and that any potential conciliated resolution would require DE approval.

The Committee noted that guidance documentation was being developed for schools in this area.

(During discussion of this item, Ms Toman left the meeting temporarily at 2.35 pm.)

7.3 SCREENING POLICY

Mr McDermott said that the EA was required, under Section 75 and Schedule 9 of the Northern Ireland Act 1998, to assess the likely equality impact of policies. Under the Disability Discrimination Act 1995 (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), the EA was required to consider the effect of its policies on the participation of disabled people in public life and the promotion of positive attitudes towards disabled people. The EA was also required, under the Human Rights Act 1998, to ensure that its decisions and actions were compatible with the Act.

Mr McDermott presented the Screening Policy* (FGP/11/17/6.3) setting out the EA's obligations under the Northern Ireland Act, the Disability Discrimination Act (Order 2007) and the Human Rights Act. He pointed out that the Screening Policy also set out the responsibilities of Board Members and the Chief Executive and reflected on the Rural Needs Act which was due to come into effect on 1 June 2018.

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend that the Board should adopt the Screening Policy

8. OPERATIONS AND ESTATES SERVICES

8.1 MAJOR CAPITAL WORKS TRACKER REPORT

Mr Sayers presented the report* (FGP/11/17/7.1) which set out the status of major capital works (projects with a value of more than £500k) in the controlled sector.

(Ms Toman re-entered the meeting at 2.41 pm.)

Mr Sayers advised that while projects for schools in the non-controlled sector were led by either DE or the relevant Trustees, the EA could have a role in fulfilling the governance function of project sponsor.

In response to queries, Mr Sayers undertook to incorporate projects for schools in the non-controlled sector into the report and to identify also where projects had been initiated by a Development Proposal. Reports would be presented to the Committee on a biannual basis and would also be presented to the Education Committee.

The Chair indicated that all Members would appreciate a tracker report for all controlled and non-controlled major capital works which could be placed on the Members' website.

8.2 MINOR CAPITAL WORKS

Mr Sayers said that in June 2017 the EA and DE had agreed that a new call for expressions of interest in minor capital work projects should be issued to all schools. The call would be issued jointly by the EA, on behalf of controlled schools, and DE, on behalf of maintained, grant maintained integrated and voluntary grammar schools, to ensure uniformity across all sectors.

Mr Sayers presented the paper* (FGP/11/17/7.2) which advised that the joint call had issued on 16 October 2017 to all schools for the 2018/19 and 2019/20 financial years. He said that the new minor works call would create the first EA list and would remove all historic ELB applications, the majority of which were lower priority works and would not be funded in the short to medium term. He advised that the new EA list would provide for a realistic two year programme of work which aligned with Ministerial priorities. These priorities were set out in the paper.

The Committee noted the paper.

8.3 OPHELIA STORM ON 16 OCTOBER 2017 - DAMAGE TO SCHOOLS

Ms Long presented a paper* (FGP/11/17/7.3) which set out the impact of the storm damage on the school estate and the subsequent actions taken by officers. She advised that EA officers were currently working with a multi-agency group, including DE, on the learning experiences of the storm and to inform future emergency planning.

Members discussed the closure of schools on 16 and 17 October 2017. Mr Boyd said that schools had remained closed on the second day to allow time to assess the level of damage to the school estate and the level of disruption to the road infrastructure. This matter had been discussed at the GAR meeting earlier in the day.

A Member referred to recent flooding in the North West of the Province and queried if the flooding had affected the school estate. Ms Long confirmed that no schools had been closed or had been damaged by the flooding; however, it had impacted significantly on transport routes to and from schools. The Member referred to positive feedback from school communities on the service provided by the Transport Section during the time of the flood.

In response to a query, Members were advised that both 16 and 17 October 2017 were being treated as exceptional school closure days.

8.4 TENDERS

(Mr Pollock declared an interest in T70334 - Teacher Support for STEM Module 2017/18. This tender was for noting.)

On the proposal of Rev Herron, seconded by Ms O'Connor, it was agreed to discuss the tender report in committee.

The Committee considered the tender reports* (FGP/11/17/7.4.1 and 7.4.2).

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

While in committee, the following tenders had been approved on the proposal of Mrs Carville and seconded by Rev Herron:

- Controlled Sector Construction Works: CfT EANI 901 and CfT EANI 981
- Goods and Services: T70276; T70277; T70296; T70297; T70328

The following tenders had been noted:

- Controlled Sector Construction Works: CfT EANI 1003; CfT EANI 1007; and a procurement under a Strategic Partnership Agreement
- Goods and Services: T70309; T70317
- Goods and Services - Select Tenders: T70334; T70336

The Chair of the Board recorded concern at the level of expenditure to supply and deliver ice cream products and soft drinks to schools. She said that the level of fat and sugar content in food and drinks supplied in schools should be reconsidered. Ms Long said that all food in schools was offered in line with Nutritional Standards for school meals in schools. She undertook to present a report to the Committee at a future meeting on Nutritional Standards in schools.

Action: Report to be provided in due course on Nutritional Standards in schools.

8.5 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/11/17/7.5) containing information in respect of a contract which had been signed and sealed.

8.6 LAND AND PROPERTY TRANSACTIONS

Acquisition: Windsor Hill Primary School

Asset Disposal: Coolnafranky Estate, Cookstown

Granting of Easement: Ballykeel playing fields, Ballymena

Granting of Lease / Licence: Culnady Primary School, Maghera

Consent to Assign Interest: former Newtownabbey Community High School

Ms Long detailed the recommendations set out in the report* (FGP/11/17/7.6).

(Mr Craig re-entered the meeting at 3.00 pm.)

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

9. FINANCE

9.1 2017/18 FINANCIAL POSITION

RECURRENT REPORT : SIX MONTHS TO 30 SEPTEMBER 2017

Miss Bill presented the financial forecasts as shown in the paper* (FGP/11/17/8.1) including the MEMR* (Appendix 1).

It was noted that all NI departments were functioning on a cash based budget which covered the period up to 31 November 2017.

Miss Bill said that the total 2017/18 indicative budget for the Schools' Delegated Budget was £1,167,500k (including Voluntary Grammar and Grant Maintained Integrated schools) with a Block Grant allocation of £533,826k. While the DE initial budget allocation letter had set out an overall Earmarked allocation of £89.682m, only allocations of £29.991m had been received as at 30 September 2017 (Appendix 2).

Miss Bill said that the MEMR was showing an estimated funding gap of £54.6m. This comprised £48.7m (estimated) in the Block Grant after £28m savings had been applied and a funding gap of £5.7m (estimated) within the Earmarked allocation. Some smaller pressures were also being identified within the ASB and other lines.

It was noted that the Block Grant included the impact of schools' increasing deficits and that the ASB reflected surplus drawdown. Miss Bill said that the profiles would be changed to reflect updated estimates on deficits and access to surpluses once LMS officers had completed their engagement with schools and all budgetary plans had been received. She reminded Members that schools had been requested to live within their in year CFF allocations.

(Ms Toman left the meeting temporarily at 3.06 pm and re-entered at 3.07 pm.)

Miss Bill said that the estimated funding gap (£48.7m) in the EA Block Grant had increased on the funding gap previously reported (£47m) to the Committee at its October meeting. This movement reflected an estimated increase in school deficits (£4m), a reduction in special educational needs (estimated £1.5m as a result of specific actions taken) and a reduction in school meals (estimated £1.5m as a result of fewer production days). It also incorporated some smaller movements in other lines. She said that a number of identified risks in the assumptions in the maximum scenario were starting to emerge and, if these risks were to crystallise, the estimated funding gap or overspend could increase to over £70m, assuming that savings were fully deliverable. These risks related to apprenticeship levy costs (estimated £3.9m), the position on school surpluses and deficits, and a potential shortfall on budget transferred to the EA in relation to VG / GMI schools (estimated between £4m and £7m). Miss Bill pointed out that the current budget allocation for Maintenance (£14m) was deemed to be insufficient to meet in year requirements. It was estimated that an additional £6.5m was needed for statutory testing and £6m for high priority works. She reported that DE was being kept informed of all risks as they emerged.

In response to Members' queries, Miss Bill provided an overview of the £28m savings previously identified by the EA. She outlined savings in respect of contractual elements and proposed savings in areas of special education and school stock count. A Member said that schools were constrained in managing their budgets through the lack of appropriate provision for redundancies. Mr Boyd said that this matter had been highlighted to DE.

A Member commented that the EA should proactively dispose of its vacant properties. It was noted that this matter had been discussed recently by the Committee and officers were seeking to identify further assets which were surplus to requirements.

The total Youth budget allocation was £32,641k. It was anticipated that this budget would come in on target at year end.

Miss Bill said that it was understood that DE was in receipt of £10m which had been allocated to Education as a result of October monitoring.

Miss Bill outlined changes agreed with DE in respect of the timetable for officers to report on the monthly expenditure and monitoring reports.

Members noted that the GAR meeting had been held earlier in the day. They noted that officers continued to discuss with DE colleagues the financial risks, constraints and wider structural matters as well as the proposed Transformation Programme. They acknowledged that, given the range of structural matters including the nature of delegated

authority to schools to manage their own budgets and the continuing increases in demand for services, the EA was unlikely to live within its present recurrent budget in the current year without access to additional resources.

9.2 CAPITAL REPORT - SIX MONTHS TO 30 SEPTEMBER 2017

The Committee noted the capital report* (FGP/11/17/8.2) detailing spend as at 30 September 2017 (£20.340m) within the overall capital allocation (schools and youth) of £50.834m.

The overall capital budget allocation had decreased by £14.272m. Miss Bill said that the ICT budget had been reduced from £14.068m to £2.462m. DE had requested a review of ICT to ensure that project requirements were identified for 2017/18 and future years. This information had been provided to DE on 2 October. On receipt of this information, the ICT budget as at October 2017 was £7.287m.

Miss Bill provided an overview of individual budget lines, advising where pressures and / or easements had been declared and approved by DE. It was noted that no allocation had yet been received for Transport. A business case was currently being prepared for DE regarding funding and home to school transport requirements.

A Member received an explanation on the reason for the delay in progress at Devenish College.

Miss Bill said that capital allocations and spend profiles continued to be carefully monitored and reported to DE.

9.3 WORKING GROUP ON SCHOOL SURPLUSES AND DEFICITS - PROGRESS AGAINST ACTION PLAN

Miss Bill presented the paper* (FGP/11/17/8.3) detailing progress against the action plan. It was noted that while a range of actions had been progressed, many of the actions were ongoing and some had been impacted by the 2017/18 financial context and the wider work to be taken forward by the Transformation Programme.

Miss Bill said that, as at 19 October 2017, 75 schools (7%) had yet to meet LMS officers and present their financial plans to the EA. She said that schools had been advised to live within their CFF allocations. This meant that schools should not increase their deficit position and should not seek to draw down surpluses. However, she said that the EA would consider individual circumstances where schools demonstrated they could not live within their in-year CFF allocations and required surplus draw down.

A Member drew attention to the action that schools' financial positions would be considered at all meetings of Boards of Governors. He said that schools' compliance with this action should be monitored as control of school expenditure was a key priority of a Board of Governors. In addition, he considered that schools should be informed of the wider financial context involving school surplus draw down.

Mr Boyd said that funding to schools had decreased in real terms by approximately 8% in the last 6-7 years. Taking into account current systemic challenges and that 90% of school costs related to staffing, he pointed out that the majority of schools would move to a deficit financial position. He drew attention to media coverage where 375 school principals had written to the Secretary of State to highlight concerns with regard to challenges associated with reductions in school budgets. Mr Boyd said that he would seek to articulate the EA's position on this issue with the media later that afternoon.

A Member highlighted the importance of communicating face to face with schools. Miss Bill said that LMS officers had been constrained by the timeframe within which to discuss financial plans with schools. Officers had met over 92% of schools in recent months to discuss budgetary plans.

A Member commented that the ETI should give attention to the financial management of the leadership within a school as part of the inspection process.

A Member said that some schools were unable to manage their budgetary positions due to constraints within the system to facilitate redundancies.

It was agreed that Miss Bill should highlight to DE the structural challenges facing schools, including the view of Members that the CFF guidance was not fit for purpose. Furthermore, the EA was hindered in monitoring school spending patterns effectively as a result of the mismatch in the academic year and financial year used by schools and the EA respectively. Discussion ensued on the financial operating procedures impacted by the current political situation. Miss Bill said that, given the political context, there was no guarantee for access to school surplus draw down.

Mr Collings said that officers would continue to train newly appointed principals and Governors on the financial context and the need for clear financial management within schools.

A further report setting out progress against the action plan would be presented to the Committee in April 2018.

(During discussion of this item, Ms Toman left the meeting temporarily at 3.48 pm, re-entered at 3.51 pm, left at 3.55 pm and re-entered at 3.56 pm. Ms O'Connor left the meeting at 4.01 pm.)

9.4 INTERIM DATA PROTECTION POLICY AND GENERAL DATA PROTECTION REGULATIONS

The Committee noted the paper* (FGP/11/17/8.4) providing an overview of the EA's Interim Data Protection Policy and an update on the EA's preparation for the new General Data Protection Regulations (GDPR) to be implemented on 25 May 2018.

It was noted that a presentation on this matter would be provided to the Board at its meeting on 23 November 2017.

10. ANY OTHER NOTIFIED BUSINESS

SCREENING POLICY (Continued)

At the request of a Member who had left the meeting temporarily when the Screening Policy had been discussed, the Committee agreed that the Member could record issues with regard to the Screening Policy.

The Member raised various issues she wished to clarify in respect of the Screening Policy.

It was agreed that the Head of Equality and Human Rights would discuss these issues with the Member and a report on the outcome of the discussion would be provided to the Committee at its next meeting.

Action: *Head of Equality and Human Rights to engage with the Member on a number of issues; report on outcome of discussion to be provided to the Committee at its next meeting.*

11. DATE OF NEXT MEETING

The next meeting would be held on 9 January 2017.

It was noted that any urgent Committee business would be considered by the Board at its meeting on 14 December 2017.

The meeting ended at 4.20 pm.

Chair

Date

* Paper circulated ** Paper tabled