

**MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 9 JUNE 2015 AT 2.00 PM IN THE OFFICES OF THE SOUTH EASTERN REGION**

**1. PRESENT** Ms S O'Connor (Chair)

Fr T Bartlett	Sir G Loughran
Mrs P Carville	Dr I McMorris
Miss N Gowan	Mr R Pollock
Rev R Herron	Ms N Toman
Mrs N Lappin	

Members of the full Board attending:

Mr D Cargo	Sr C Hegarty
Dr M Dynan	Miss R Rainey

**2. IN ATTENDANCE**

Mr G Boyd and Ms L McCall and for part of the meeting Mr S McCurdy, Mr R McGreevy, Mr P O'Neill, Ms D Stockman, Mr N Craig, Mr P Hughes, Mrs P McErlean, Mr A Kennedy and Mr D Hanna.

The Chair welcomed Members and Officers to the first meeting of the Committee.

**3. DECLARATIONS OF INTEREST**

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

**4. CHAIRPERSON'S BUSINESS**

**4.1 BOARD MEMBERS AWAY DAY**

The Chair reminded Members of the planned Away Day on 3 July 2015.

**4.2 VENUE FOR FUTURE MEETINGS OF COMMITTEE**

The Chair reported that the Chief Executive would bring forward proposals on the venue for future meetings of the Committee. Dr McMorris suggested that meetings should normally be held in the greater Belfast area and one meeting per year held in each of the other regions. Dr Dynan considered this reasonable and said the arrangement should allow for Members to meet staff in each locality.

The Chair requested Members to communicate any further proposals to the Chief Executive or her as soon as possible.

**4.3 ORDER OF BUSINESS**

The Chair received the Committee's agreement to discuss the agenda item 'SMT Recruitment' at the end of the meeting.

**4.4 ADDITIONAL ITEM FOR INCLUSION ON AGENDA**

The Chair received the Committee's agreement to include an additional agenda item at the end of the meeting which related to the appointment of an additional Independent Appeal Tribunal Member.

## **5. SCHEME FOR THE FINANCE AND GENERAL PURPOSES COMMITTEE**

The Chair pointed out that the Scheme had already received consideration at the Board Members' induction sessions.

Mr McCurdy presented the Scheme\* (FGPC/1/06/15/4) and outlined the functions of the Committee which included delegated powers to approve all public tenders. He pointed out that the Audit and Risk Assurance Committee (ARAC), at its meeting earlier in the day, had agreed that the Chairperson or Vice-Chairperson of the ARAC should not serve on the Finance and General Purposes Committee. He commented also that a suggestion had been made that the quorum should be at least five members.

On the proposal of Mrs Lappin, seconded by Dr McMorris, the Committee agreed to recommend that the Scheme should be adopted subject to two amendments: the quorum should comprise at least five members of the Committee and the Chairperson or Vice-Chairperson of the ARAC should not form part of the Committee's membership.

## **6. MANAGEMENT STATEMENT AND FINANCIAL MEMORADUM**

The Committee noted the Management Statement and Financial Memorandum (MSFM)\* (FGPC/1/06/15/5) which set out the Education Authority's overall aims and objectives and the rules and guidelines relevant to its activities. Mr O'Neill identified areas where revisions had been made to the MSFM.

(Mr Pollock entered the meeting at 2.10 pm.)

## **7. FINANCE**

### **7.1 FINANCIAL OUTTURN 2014/15**

Mr McCurdy reported that the Accounts of the five ELBs and Staff Commission had identified a total DE underspend of £8.329m which equated to 0.54% of the total DE allocation (£1,506m). The Committee noted that the Schools' Delegated Budget accounted for £5.866m of this underspend and that the Block Grant budget had been underspent by £2.359m (0.16% of total allocation) of which £1.472m related to Earmarked budgets.

Mr McCurdy advised that the schools' surplus drawdown, reviewed in the December monitoring round, had resulted in a net surplus drawdown of £4.975m. This was an area of volatility and difficulties existed in accurately projecting schools' surplus need. Mr McCurdy said that this was particularly evident in the last four months of the financial year when schools' expenditure had dramatically changed resulting in the surplus drawdown not being utilised.

(Fr Bartlett entered the meeting at 2.26 pm.)

Members sought clarity on the liabilities associated with a net surplus drawdown. Mr McCurdy advised that Ministers had previously guaranteed that schools would still have access to their individual surpluses as and when required. The EA was required to give early notification of that which was required and in the event that these monies were not utilised, they became part of the EA's Centre budget. Based on historical experience, he said that schools had not generally required the full resources as indicated in their approved plans.

Mrs Lappin queried the sanctions available to the EA should schools not manage to remain within DE's target thresholds of 5% or £75k, whichever was the lesser, of their overall budgets. Mr McCurdy advised that responsibility to produce a robust three year budgetary plan resided with a Board of Governors of a school. The LMS

Sections in EA monitored and assessed the robustness of these plans and challenged schools to address deficit and surplus positions outside the target thresholds. Mr Boyd said that it was now the case that schools with surpluses exceeding DE's threshold did not qualify for any additional monies from the Centre in year. Officers would challenge these schools to request that they used their resources appropriately for the benefit of pupils currently in attendance. Mr McCurdy explained that, for schools in deficit position, officers in various sections engaged with schools in a process of negotiation. The major sanction available to the funding authority was to suspend financial delegation to a Board of Governors; however he pointed out that this had, as yet, never occurred.

Ms Toman considered that further guidance should be given to schools on budgetary management and that further in year monitoring of schools should be undertaken. Mr McCurdy assured the Committee that details relating to schools in surplus and deficit positions would be presented to the Committee in due course.

The Committee noted that the Youth budgets of the five ELBs had declared a total underspend of £103k of which £10k related to Earmarked budgets (0.34% of total Youth budget). It also noted that the Capital budget had been underspend by £303k which equated to 0.32% of the total Capital allocation of £96.661m.

The Committee noted papers\* (FGPC/1/06/15/6.1) detailing breakdowns of the recurrent and capital budget and schools' surplus drawdown by region.

## **7.2 BUDGET 2015/16**

The Committee noted the letter\* (FGPC/1/06/15/6.2) dated 20 March 2015 from DE detailing the 2015/16 budget allocation.

The Chair advised that the draft budget statement\*\* (FGPC/1/06/15/6.2) provided the Committee with progress in respect of the proposals presented at the budget workshop on 14 May 2015. Papers\* setting out the 2014/15 outturn position in respect of Transport and Teacher Substitution costs were examined. The Committee noted that the total cost of Teacher Substitution in 2014/15 had been £14.6m of which long term sickness absence amounted to £6.9m. Discussion ensued in relation to the current mechanism to meet costs associated with teacher sickness absence and the processes in place to assist and support schools in managing absence. Mr McGreevy pointed out that the EA's RAP target, which was comparable to targets for teacher sickness absence in England and Wales, was an average of 5 days' absence per teacher per year. Currently the absence rate was 5.5 - 8 days across the regions. Dr Dynan requested a breakdown of the teacher absence figures by region. Mr Boyd undertook to present this information to a future meeting. Mr McCurdy said that the proposal was that the EA would seek savings of £500k in this area of spend.

Mr McCurdy referred to the proposed £2.7m savings on the Transport budget in 2015/16 which would mean a requirement on the service to operate at the same cost as in 2014/15. He said that the intention was that officers would reorganise transport routes to effect savings but no analysis was available as yet for Members. Sir Loughran queried the possibility of officers also reviewing timetabling of buses. It was noted that this issue had been reviewed in the past and had been found to be challenging in terms of the school day and could cause widespread disruption. Dr McMorris queried if consideration had been given to the level of use of contract vehicles. Mr Boyd said this was a political issue. School transport accounted for 50% of Ulsterbus business. He advised that the Ministers of Education and Regional Development had met last week to discuss the proposed price increase in the sessional pass from Translink. He had met the Chief Operating Officer of Translink to discuss this same issue.

Mr Cargo said that the review of transport routes should take account of the travelling times for children and young people particularly in rural areas. In attempting to effect savings, the review should also be cognisant of the safety of children at all times.

Mr McCurdy pointed out that the Education Committee, at its meeting on 11 June 2015, would receive proposals in respect of restructuring the Curriculum Advisory Support Service. The Committee noted the target savings in this area amounted to £1.8m.

The Committee noted the proposals in respect of the School Library Service, ie no book stock purchases in 2015/16 and a review of the operational structure of the service to be initiated in 2015/16. The target savings in this area amounted to £617k.

Mr McCurdy said that a report would be presented to the Board at its June meeting on proposals in respect of the Schools Centre (£2.7m target savings) and Support Services (£0.9m savings).

(Mr Pollock left the meeting temporarily at 3.20 pm.)

The Committee noted the costs associated with the Music Service. It also noted that the Children and Young People's Services Committee, at its meeting on 2 June 2015, had given consideration to measures to effect savings amounting to £1.75m on a per annum basis.

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

The Chair reported that officers would continue to progress proposals in order to present information to the Board at its meeting on 25 June 2015.

### **7.3 VOLUNTARY SEVERANCE : UPDATE**

Mr McGreevy said that, following agreement by the Board at its special meeting on 14 May 2015, letters had been issued to all eligible staff on 21 May 2015 seeking expressions of interest in voluntary severance. He advised that the first letter had issued to senior managers who had been identified in the EA Business Case as being at risk of redundancy as part of the requirement on EA to have a more streamlined senior management structure. A second letter had issued to all other staff, not identified at risk of redundancy in the EA Business Case, setting out the challenges of the 2015/16 budget to deliver significant savings and to reduce staff numbers at all levels within the organisation. Mr McGreevy said that the letters had identified the severance terms available to staff and that no funding was currently available from the Department of Education (DE) to support the EA voluntary severance programme, therefore all offers of voluntary severance would be conditional on the availability of funding.

Mr McGreevy reported that an unprecedented number of staff across the regions had submitted expressions of interest by the deadline of 3 June 2015. In light of proposals concerning Transport, and as discussed earlier in the meeting, he advised that initial work in this area would need to be undertaken by officers to determine what voluntary severance would be possible in advance of a full regionalisation of the service.

Mr McCurdy outlined the total number of expressions of interest across the five regions and within various services. He said that the EA could only make significant contributions towards the required savings by means of reducing its overall cost base through voluntary severance. Members discussed the level of interest within the various services, noted the historical percentage of staff who withdrew applications and the arrangements that would require to be in place to release staff on a phased basis in line with revised service delivery models. Ms Toman said that Members would benefit from an appraisal of service delivery so as to ensure that staff would not be released from front line services. Mr Boyd pointed out that it was

inconceivable, given the significant financial constraints, that the EA could deliver the same level of service as provided in previous years. Work would now start on designing new service delivery models which would be presented to Members in due course.

#### **7.4 SCHOOL MEALS – CHARGES FOR THE 2015/16 ACADEMIC YEAR**

*(Mrs Lappin declared an interest in this item as she had children in the school system who availed of school meals.)*

The Chair advised that the Board, at its meeting on 28 May 2015, had delegated authority to the Committee to take a decision on this issue.

Mr McCurdy presented the paper\* (FGPC/1/06/15/6.4) which set out the current pricing arrangements for school meals by Education and Library Board area, an analysis of the costs associated with the provision of school meals and the options being brought forward for the Committee's consideration.

Members discussed the fixed cost subsidy on paying school meals, tensions between price increases and the impact on demand, the impact of price increases on working families and family size, the possibility of reducing the cost of a meal, costs associated with kitchens that produced meals and those that were serveries, costs associated with transporting meals particularly in rural areas, opportunities to maximise income in cash cafeterias and the impact of equality screening on any proposal to increase charges.

(Dr Dynan left the meeting temporarily at 4.10 pm.)

Mr Boyd said that the withdrawal of Earmarked funds for Nutritional Standards had created a pressure on the EA of £3.5m. The Minister's decision to widen the criteria for pupils to access free school meals (FSM) the previous year had meant an additional pressure on the EA budget of £1.9m in the current year. He said that the EA was required only to provide FSM and not to provide meals to paying pupils. He pointed out that the EA was not required to equality screen a proposal of this nature due to the make-up of the key groups to be consulted. He emphasised that Board Members were required to effect significant savings in 2015/16 in light of the very challenging budget.

(Dr Dynan re-entered the meeting at 4.15 pm.)

Ms Toman said that other options should be examined to increase revenue and she outlined various external sources. She considered that the EA should consider all its budget areas in detail to maximise savings. Fr Bartlett said that all efforts should be made by EA to seek to achieve savings through the voluntary severance scheme.

The Chair reminded Members that schools would require notification of any changes in charges for the Autumn term before the end of June so that they could advise parents accordingly.

Mr Boyd said that to realise the significant savings required through voluntary severance in the current year would necessitate an agreed reconfiguration of service delivery. The level of savings in year would also depend on the timeframe of release of staff. Furthermore, DE had indicated that it had currently no funding available in the current year to support the voluntary severance programme.

It was proposed by Sir Loughran, seconded by Dr McMorris, that the EA should increase the price of a paying meal by 15p with effect from 1 September 2015.

It was proposed by Mrs Carville, seconded by Miss Gowan, that the EA should harmonise school meals charges across the five regions, increase the price of a pupil meal by 10p and increase the price of an adult meal by 15p.

The Chair asked for support to Mrs Carville's proposal and the majority of Members so indicated by a show of hands. This included Sir Loughran and Dr McMorris.

In addition, the Committee agreed to recommend that, in redesigning the school meals service, cognisance would be given to the pricing mechanism for its impact on working families particularly family size, that further information would be provided to the Committee on adult meals and that a review of income generation in cash cafeterias should be undertaken.

(Mr N Craig, Mr P Hughes and Mrs P McErlean withdrew from the meeting.)

## **8. HUMAN RESOURCES**

### **8.1 INDUSTRIAL ACTION UPDATE**

Mr McGreevy said that a public strike day had taken place on 13 March 2015 across all public sector unions which had been aimed at the austerity cuts. He referred to the individual action short of strike action taken by the four Teaching Unions in recent months. He advised that schools had been given guidance on managing the actions taken by the Unions and officers had sought information from the schools on the impact of such action. He said that Management Side continued to meet the Unions to discuss issues of workload and assessment.

Mr McGreevy outlined the individual action taken by the Non-Teaching Unions which had taken the form of working to rule, working contractual hours and Classroom Assistants not covering for teachers in classrooms. He advised that this situation was being kept under review.

### **8.2 TRANSITIONAL RECRUITMENT AND SELECTION GUIDANCE**

The Chair indicated that this matter had received attention at the Board Members' induction session on 28 April 2015.

(Mr Cargo left the meeting at 4.40 pm.)

Mr McGreevy said that it was intended that the general provisions of the Code of Procedures for Recruitment and Selection for all non-teaching staff, drawn up by the Staff Commission for Education and Library Boards (SCELB), would continue to apply until such time as a new process would be developed and consulted upon. He said that the supplementary guidance paper\* (FGPC/1/06/15/7.3) set out minor amendments to the SCELB Code which were necessary as part of the dissolution of the five ELBs and the Staff Commission. Members noted that the supplementary guidance had been screened on 29 April 2015 and no impact on equality of opportunity had been identified.

On the proposal of Mrs Carville, seconded by Miss Gowan, the Committee agreed to recommend the adoption of the amended Guidance.

### **8.3 PENSION BANDING POLICY FOR STAFF WHO ARE MEMBERS OF THE LGPS(NI)**

The Chair reported that from 1 April 2015 the Local Government Pension Scheme had placed responsibilities on the EA to have in place a pension banding policy for staff who were members of the Scheme. Mr McGreevy said that the Policy\* (FGPC/1/06/15/7.4) had been subject to internal consultation, provided to the Trade Unions for comments and had been quality assured by NILGOSC. Members noted that the policy had been screened on 14 April 2015 and no impact on equality of opportunity had been identified.

On the proposal of Mrs Carville, seconded by Sir Loughran, the Committee agreed to recommend the adoption of the Policy.

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

### **HOME TO SCHOOL TRANSPORT**

Ms Stockman said it was necessary to harmonise the interpretation and application of home to school transport eligibility criteria across the regions. She outlined the practices of the legacy ELBs in using either 'door to door' or 'gate to gate' measurement and advised that the Independent Review of Home to School Transport, commissioned by the Minister of Education, had recommended that a consistent measure of distance should be used across Board areas based on home-gate to school-gate measurement. It was noted that the Minister was currently considering the recommendations of this Review.

The Committee noted the impact of applying a consistent application of 'gate to gate' and 'door to door' assessment across the regions as set out in the paper\* (FGPC/1/06/15/8.1). It also noted that the analysis did not include pupils with special educational needs or pupils who availed of concessionary transport.

Ms Stockman said that the School Admission Booklets would be published in November 2015 and would provide guidance to parents on home to school transport. The intention was that any new proposal coming forward would only impact on pupils entering years 1 and 8 and that all other eligible pupils would continue to receive transport assistance until the end of their period at primary or post-primary school. She advised that any new proposal would be equality screened and the outcome of this screening would be presented to the Committee at its September meeting. This would mean the earliest date for implementation of a new policy would be September 2016.

Rev Herron received confirmation that the equality screening would include rural proofing. Mr Hanna commented that the vast majority of pupils in rural areas lived well over the qualifying distance and were therefore unlikely to be impacted.

On the proposal of Dr McMorris, seconded by Mr Pollock, the Committee agreed to recommend that an equality screening exercise should be undertaken on the 'gate to gate' measurement as the basis of eligibility and that the results should be reported to the Committee at its September meeting to order to inform a final decision.

## **10. CONTRACTS / TENDERS**

As the Scheme for the Committee had not yet been agreed by the Board, all contracts / tenders at this meeting would require ratification by the Board at its June meeting.

On the proposal of Fr Bartlett, seconded by Mr Pollock, the Committee agreed to discuss this agenda item in committee.

### **10.1 CONTRACT FOR GOODS AND SERVICES : FRUIT AND VEGETABLES**

On the proposal of Mrs Carville, seconded by Sir Loughran, the Committee agreed to recommend the award of this contract as set out in the paper\* (FGPC/1/06/15/9.1).

### **10.2 TENDER FOR SCIENCE AND TECHNOLOGY FURNITURE**

On the proposal of Mr Pollock, seconded by Mrs Carville, the Committee agreed to recommend the award of this contract as set out in the paper\* (FGPC/1/06/15/9.2).

### **10.3 TENDER FOR REFURBISHMENT / UPGRADE OF STEM MODULE**

On the proposal of Ms Toman, seconded by Mrs Carville, the Committee agreed to recommend the award of the tender as set out in the paper\* (FGPC/1/06/15/9.3).

#### **10.4 TENDER FOR FLOOR MAINTENANCE MACHINES**

On the proposal of Mrs Carville, seconded by Miss Gowan, the Committee agreed to recommend the award of this contract as set out in the paper\* (FGPC/1/06/15/9.4).

On the proposal of Mrs Carville, seconded by Fr Bartlett, the Committee agreed to resume the meeting.

Ms Toman requested that consideration should be given to the format in which tender information was provided to the Committee including the interpretation of social clauses. Ms Stockman advised that officers across the regions were currently undertaking an exercise in order to present information in a generic format to the Committee.

#### **11. ANY OTHER NOTIFIED BUSINESS**

##### **INDEPENDENT APPEAL TRIBUNAL MEMBER**

Ms Stockman sought approval to include Mr David Taggart to the list of Tribunal Members for the Southern Region.

On the proposal of Mrs Carville, seconded by Dr McMorris, the Committee agreed to recommend the inclusion of Mr David Taggart to the list of Independent Appeal Tribunal Members for the Southern Region.

#### **12. SMT RECRUITMENT**

(Mr D Hanna, Mr A Kennedy, Mr S McCurdy, Mr R McGreevy, Mr P O'Neill and Ms D Stockman withdrew from the meeting.)

Mr Boyd advised that the SMT structure had been discussed by the Board at its previous meeting along with proposals relating to the recruitment of the Directors. He updated Members on progress in respect of the job descriptions for the Directors.

Members gave consideration to the recruitment process for the senior management team. The Chair commented on the level of risk to the organisation in not initiating appointments for the Directors as soon as possible. It was agreed that Mr Boyd would contact DE officials the following day to ascertain if prompt consideration could be given to the Directorate business case.

#### **13. DATE OF NEXT MEETING**

It was noted that the next meeting would be held on 8 September 2015.

The meeting ended at 5.30 pm.

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**Chair**

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**Date**

\* Paper circulated

\*\* Paper tabled at meeting

12 June 2015 LMcC