

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 8 JANUARY 2019 AT 2.00 PM IN ANTRIM

1. PRESENT Dr I McMorris (Chair)

Mrs P Carville	Sir Gerry Loughran
Mr J Craig	Mr N McCausland
Mr G Doran	Ms S O'Connor
Rev R Herron	Mr R Pollock

The Chair welcomed Mr McCausland to his first meeting of the Committee.

2. IN ATTENDANCE

Mr G Boyd, Mrs C Duffield, Ms S Long, Mrs S McCartan, Mr M McDermott, Ms L McCall and for part of the meeting Mr J Collings, Mrs K Scott, Mrs D Allen, Mr D Hanna, and Ms S Mooney.

3. DECLARATIONS OF INTEREST

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

Mr Craig declared an interest as chair of the Board of Governors of Laurelhill Community College.

4. MINUTES OF MEETING HELD ON 6 NOVEMBER 2018

The Committee approved the minutes* (FGP/1/19/3) of the meeting held on 6 November 2018 on the proposal of Mr Craig and seconded by Ms O'Connor.

5. MATTERS ARISING FROM THE MINUTES

5.1 2018/19 FINANCIAL POSITION - DISCUSSION ON CONTINGENCY FUNDING (6.2)

It was anticipated that a report on the criteria and distribution of contingency funding to schools would be presented to the Committee for consideration at its February meeting.

5.2 SCHOOLS' SURPLUSES AND DEFICITS WORKING GROUP - RE-ESTABLISHMENT (7.2)

The Chair reported that the Board, at its meeting on 13 December 2018, had agreed to appoint Mrs P Carville, Mr J Craig, Mr G Doran, Mr E Jardine, Mr G Lundy, and Mr R Pollock to the Working Group. He advised that, subsequent to the Board meeting, Mrs M Culbert had also expressed interest in serving on the Working Group.

Mrs Culbert's membership on the Working Group would be ratified by the Board at its meeting on 24 January 2019.

6. CHAIR'S BUSINESS

6.1 MATTER REFERRED FROM THE CHILDREN AND YOUNG PEOPLE'S COMMITTEE - COSTS ASSOCIATED WITH STATEMENTED PUPILS ATTENDING VG/GMI SCHOOLS

This matter would be considered by the Committee in the coming months.

6.2 MATTER REFERRED FROM THE BOARD MEETING ON 29 NOVEMBER 2018 - CONTENT OF EQUALITY SCREENING TEMPLATE

It was anticipated that this matter would be considered by the Committee in March.

Mr McDermott said that a number of meetings were required to take place prior to the Committee giving consideration to a paper on this issue.

6.3 DIRECTORATE RISK REGISTER

A Directorate Risk Register would be presented to the Committee for consideration at either the March or April meeting.

7. OPERATIONS AND ESTATES

7.1 REVIEW OF POST PRIMARY ADMISSIONS 2018

Ms Long referred to the unprecedented number of children who had remained unplaced after the post primary transfer process in 2018. At the conclusion of the 2018 post primary admissions procedure, she said that DE and EA had commissioned a joint review of the process with a view to improving outcomes for the transfer process in 2019.

Mrs Allen presented a report* (FGP/1/19/6.1) setting out a detailed analysis of the issues that had arisen during the 2018 post primary transfer process and the recommendations arising from the review. She said that it was intended that an internal EA Implementation Group would now be established to take forward an action plan, which would include timescales, to ensure that all recommendations contained in the report relating to EA were fully implemented. Mrs Allen said that, with regard to demographics, there had been an additional 952 young people at post primary transfer stage in 2018. In 2019, this figure was expected to further rise to an additional 1300 young people and the spike in the demographics was expected to persist until 2024. Mrs Allen said that the review had focused on key areas of predictability, ie information based on parental preferences, trends, and gender.

Attention was given to the forecast of demand for 2019 at constituency level (Annex E). While the Annex set out additionality, it was noted that the Permanent Secretary was currently giving consideration to proposals for North Down and Ards. Members discussed particular pressure areas and noted that responses from schools varied with regard to additionality. Issues impacting on particular schools were discussed, including restrictions in terms of accommodation, teaching complement, and in-year funding. Mrs Allen said that EA was developing an extensive communications plan (Annex C) to provide key messages and clear information to parents and schools on the 2019 post primary admissions process. The report also set out strategic solutions for the current year and for subsequent years.

A Member welcomed the report. He queried whether the relevant schools had yet been informed of the recommendations contained in the report. Ms Long said that officers across the Directorates had worked with schools to support the 2019 post primary admissions process and to inform the review. The paper would also be considered by the Education Committee later in the week. Mrs Allen said that officers would be targeting engagement with schools with regard to additionality once the report had been considered at both Committee meetings. She also advised that officers would be engaging with CCMS and GBA on the recommendations contained in the report.

Mrs Allen said that applications were considered by post primary schools in early March. At this stage in the process, EA would be able to capture an indicator of pressure areas and this information would be shared with DE.

A Member suggested that media guidelines should be devised to manage the reporting of the situation. Mrs Long said that EA would work with the media in this reporting.

Members discussed the approach taken by DE with regard to temporary variations. It was noted that prior to 2018 DE practice had been not to provide additional places in schools where there was spare capacity in an area. It was also noted that, in the absence of a Minister, DE was not making any radical changes to the temporary variation process. Mrs Scott said that DE was endeavouring, through the temporary variation process, to ensure that there were no unintended consequences to schools which would impact on the school estate and school finances.

In response to a Member's query, Ms Long said that the matter was included in the Operations and Estates Directorate Risk Register. Officers would keep the matter under review as to whether it should be escalated to the Corporate Risk Register.

The Chair commended officers on the quality of the report. The Committee noted the report.

7.2 SERVICE STANDARDS

Ms Long presented the initial Service Standards Report* (FGP/1/19/6.2) setting out the most recent corporate performance information relating to existing service standard indicators. She said that the report would be developed and refined in order to measure, monitor, report and assess EA's effectiveness in delivering business. Work would also take place to combine CYPS service standards into future versions of the main organisation report.

A Member commented on the outcome of the RAG rating for some areas based on performance improvement trends. Ms Long said that work was in progress in these areas. The format allowed Members to quickly see movements where the performance trend was improving, deteriorating, or remaining static in key areas.

The Committee noted the report.

7.3 EA BREXIT DAY 1 DELIVERY PLANNING

Ms Long presented a paper* (FGP/1/19/6.3) setting out work undertaken across EA Directorates to risk assess and categorise potential day 1 business continuity issues. The risk assessment document had been developed on the basis of a worst case scenario, ie 'no deal'. Mrs Allen said that EA was required to provide assurance to a number of sponsor bodies, ie Department of Education, Department for Economy, Department for Agriculture and Rural Development, and therefore EA was engaging with these bodies to ensure that all planning was based on agreed assumptions. EA was also working closely with all NI CoPEs to identify procurement risks and to ensure a co-ordinated approach to contingency planning in risk areas. She advised that a comprehensive scoping exercise had been undertaken within procurement, and food and fuel had been identified in particular as risk areas. These two areas were being reviewed at Executive level. She also advised that EA was working with other organisations to develop business continuity plans in key areas and would be engaging with DE and other stakeholders in the coming weeks. As it was recognised that Brexit would cause anxiety, communications would issue to staff and schools in due course to provide support and guidance as appropriate.

The Chair of the Board said that, given the size of EA's employee base, there was potential for a considerable number of cross border staff to be impacted by Brexit. Mrs Duffield said that officers were conducting a baseline audit of staff who were EU /

non EU / British / Irish citizens, including permanency of post, with a view to ensuring that staff would be well informed in the lead up to day 1.

A Member said that it was imperative that EA considered food quality when reviewing food supplies after Brexit. A Member said that the UK had one of the highest food standards in the world and therefore this should not be a matter of concern.

The Committee noted progress to date as set out in the report.

7.4 HOME TO SCHOOL TRANSPORT - STANDARDISATION OF PARENTAL PAYMENTS SCHEME

Ms Long said that the Committee, at its meeting on 4 September 2018, had agreed to recommend that the Board should take forward a single standardised approach for the parental payment scheme for implementation in the 2018/19 academic year. She presented a paper* (FGP/1/19/6.4) giving information on the outcome of the public consultation exercise which ended in November 2018 and a recommendation for the Committee's consideration.

Mr Hanna said that the proposed approach would enable the introduction of a new scheme based on four payment bands with emphasis given to ensuring that rural pupils would not be disadvantaged. The parental payments policy had been screened for equality, human rights and rural needs impacts. The exercise had demonstrated only minor impacts on those receiving the payment in an urban setting and a positive impact for those who lived in rural areas. As there was no major impact, an Equality Impact Assessment was not required. He said that, following consultation, some minor changes would be made to the description and guidance associated with the scheme to ensure that parents fully understood all aspects of the scheme.

A Member queried the percentage of bus passes that were paid for by EA and not used by pupils. Mr Hanna said that currently there was no formal mechanism or digitisation to monitor home to school transport usage. However, it was intended that a smart ticketing solution would be introduced to monitor usage, most likely for the 2020/21 academic year.

A Member referred to an article in the Irish Times on a report on the provision of school transport by the Comptroller and Auditor General. Ms Long said that she would be seeking a copy of the report to review key goals and the report's recommendations.

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to recommend that the Board would implement the standardised parental payment scheme in 2018/19 as set out in the paper. Families could therefore expect to receive payments through the new scheme for the current academic year by the end of February 2019.

7.5 TENDERS

The Committee considered tender reports* (FGP/1/19/6.5.1 and 6.5.2).

Ms Long reported that a tender had been withdrawn from the tender report for construction works due to the lowest tenderer withdrawing from the competition. In response to a Member's query relating to this tender, Ms Long undertakes to provide further information on the process for this tender to the Member.

On the proposal of Mr Pollock, seconded by Mr Craig, the Committee agreed to recommend that the following tenders should be approved:

- Construction Works - Controlled Sector Above Threshold Minor Capital Programme: CfT 1892595 (EANI 1496).
- Goods and Services - Above Threshold: FES-18-006.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Programme (within approved delegated limits): CfT 1562944 (EANI-1289); CfT 1715504 (EANI-1395); CfT 1770011 (EANI-1414); CfT 1789361 (EANI-1422); CfT 1798113 (EANI-1428); CfT 1817513 (EANI-1450); CfT 1841419 (EANI-1464); CfT 1843432 (EANI-1465).
- Goods and Services - Under Threshold: BSF-18-020; CAT-18-005.
- Goods and Services - Awarded from External Frameworks: CfT 237527 / EA2; ICT-18-010 via RM3733); 70455 (via ID 999047).
- Goods and Services - Awarded from Collaborative Contracts: CfT 1781960; ID 439591.
- Goods and Services - Select Tenders: BSF-18-017; ICT-18-009; TRN-18-004; TRN-18-006.

Action: Provide information on the process concerning a tender being withdrawn.

7.6 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/1/19/6.6) containing information on contracts which had been signed and sealed.

7.7 LAND AND PROPERTY TRANSACTIONS

Lease and Wayleave Agreements: Limavady High School; City of Armagh High School; STEM Truck, Garage and Storage Accommodation, Mallusk; Bloomfield Road playing fields, Bangor; former Magherafelt Primary and Nursery School site; Coolnafranky Estate, Cookstown.

Licence Agreement: Cookstown High School; Donacloney Primary School, Craigavon; Tullygally Primary School, Craigavon.

Receipt of gift of Modular Accommodation: Carrickfergus Academy.

Ms Long detailed the recommendations set out in the report* (FGP/1/19/6.7).

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to recommend the adoption of the transactions in the report.

8. HUMAN RESOURCES

8.1 NATIONAL JOINT COUNCIL (NJC) PAY AWARD 2018/19 AND 2019/20

Mrs Duffield presented a paper* (FGP/1/19/7.1) outlining details of the national pay award, agreed on 10 April 2018, covering 2018/19 and 2019/20.

Ms Mooney said that the 2018/19 award had been implemented and all staff had received uplifts and payment of arrears by November 2018. She advised that the NJC agreement had included the introduction of a new shortened pay spine with effect from 1 April 2019. She outlined the actions undertaken by EA for assimilating the process for the 2019/20 pay award and the negotiations taking place with Trade Unions on the assimilation arrangements.

A Member queried the anticipated timeframe to complete negotiations with Trade Unions. Ms Mooney said it was anticipated that, with Trade Union agreement, the 2019/20 pay

award could be implemented by 1 April 2019. Discussions would also take place with Trade Union Side on proposals relating to a revised pay and grading structure.

The Chair received confirmation that the overall cost of implementing the assimilation process of the 2019/20 award, inclusive of employer's costs, was estimated to be £20.5m

The Committee noted the paper.

8.2 INEQUALITIES WORKING GROUP - NOTE OF MEETING HELD ON 29 NOVEMBER 2018

Mrs Duffield presented the note* (FGP/1/19/7.2) of the Inequalities Working Group held on 29 November 2018.

A Member considered that the note contained an error in respect of the terminology around the approval given by the Board in March 2018 to the Audit of Inequalities, the Equality Action Plan and the Disability Action Plan. He said the note should make clear that the three documents had been approved by the Board in March 2018 for consultation purposes only. He asked for Members to receive clarity around the process on policy development. He drew attention to guidance from Westminster which stated that consultation should take place at the formative stage of policy development. He said the Board had not yet given consideration to the responses to the consultation.

Mr McDermott said that a post consultation report would be presented to the Finance and General Purposes Committee at its meeting on 5 February 2019.

The Chair of the Board said that EA was not a policy making organisation, rather it carried out the operational arrangements to implement policy as directed by DE. She said that the note of the Inequalities Working Group held on 29 November was being presented for noting. She said that the Board Member workshop, which was being held in the coming months to consider lessons learned, would be reviewing the governance structure within EA and also the status and reporting structure for the Inequalities Working Group. She said that the Finance and General Purposes Committee, at its meeting on 6 March 2018, had considered and agreed to recommend the adoption of the relevant papers, ie the Audit of Inequalities and the Action Plans for Equality and Disability. The Committee's recommendation had been approved by the Board at its meeting on 29 March 2018.

Mr Boyd said that the terminology around asking Members to approve consultation papers and the recording of that approval in the minutes would be clearly set out in future. He said that he was satisfied that EA, given its statutory responsibilities, had worked appropriately through the Equality Action Plan. The Board was required in law to agree an Equality Scheme. The Board had consulted on the Equality Scheme and there had been no controversy within that process. He said that the Equality Action Plan set out the operational activity to be carried out in support of EA's Equality Scheme which had been agreed by the Board in 2015 and approved by the Equality Commission in 2016.

Mr McDermott said that the consequence of a poor process could be an Equality Commission intervention. He said that the Equality Commission was satisfied with the process undertaken by EA to consultation on the Equality Action Plan and the Disability Action Plan. The process followed by EA to agree the Scheme and take forward the Equality Action Plan was common for public authorities. Furthermore, EA's Equality Action Plan was considered to be best practice.

The Member said that there needed to be a common understanding of due process. As there was a difference of opinion, he asked for a copy of the communication issued by

the Equality Commission on EA's Equality Action Plan. He also asked that the Head of Legal Services should give written advice on process in terms of policy development.

A Member said that EA had no responsibility for policy development. He commented that clearer terminology around Board approvals would avoid ambiguity.

A Member commented that EA implemented DE policy and queried the consultation arrangements carried out by DE on policy development.

The Chair of the Board said that the Head of Legal Services would be asked to attend the Board Member workshop on lessons learned. The Member asked that the Head of Legal Services should provide legal advice, in writing, at the workshop.

Actions: *Members' workshop planned to review Committee structures for EA before the end of March 2019 to include a presentation of Member responsibilities, the responsibilities of the Executive and consultation processes. The workshop to be led by relevant officials including the Head of Legal Services.*

9. FINANCE

9.1 2018/19 FINANCIAL POSITION

RECURRENT REPORT : EIGHT MONTHS TO 30 NOVEMBER 2018

Mrs McCartan presented the financial forecasts, based on information available, as set out in the paper* (FGP/1/19/8.2) including the MEMR* (Appendix 1). The total 2018/19 budget for the Schools' Delegated Budget was £1,175.5m (including £276.72m for Voluntary Grammar and Grant Maintained Integrated schools) with a Block Grant allocation of £618.610m.

Mrs McCartan said that, since the consideration given to the last MEMR in November 2018, EA had been notified of additional allocations as follows: £4m for special educational needs, £2m earmarked for Maintenance, £5.837m earmarked for approved teaching redundancies, £186k for the North Belfast City Learning PPP, and £717k earmarked to cover several initiatives including home to school smart transport, VPRS, North Belfast principal support, transformation fund, and integrated passenger transport.

The Committee noted Appendix 2* setting out Earmarked allocations to date of £52.690m. While a number of Earmarked allocations was still awaited (total Earmarked budget to be £54.5m), it was anticipated that there would be no overspend in this area once all allocations had been received from DE.

Mrs McCartan said that the November MEMR was reporting an overall estimated funding gap of £21.42m (excluding Earmarked and Youth) and an estimated block grant funding gap of £15.67m after estimated savings of £15.76m. The estimated funding gap had increased by £0.91m (£0.13m for the block grant) as a result of movements in forecasts for year end outturns, pressures and savings. Estimated savings of £4.151m (26%) had been delivered to date across all MEMR block grant lines. The Committee noted the breakdown of the material movements.

Mrs McCartan said that the schools' financial planning process continued and LMS officers continued to engage with schools to progress the submission of signed financial plans. To date, 99% of schools plans were in final or draft format and 938 (93%) of these had been signed by Boards of Governors. She said that 937 conditional letters of approval had been issued to Boards of Governors. She pointed out that 9 schools had not submitted a financial plan in either final or draft format. This included 4 schools which had closed in September 2018, 2 new schools, 2 schools with newly appointed principals,

and one remaining school. She said that it was anticipated that schools would overspend initial CFF allocations by £32m after savings and additional income of £10.7m (estimated). Based on the information contained in schools' financial plans, the latest estimated surplus drawdown requirement was £5.75m after the June monitoring allocation of £8m and total deficits of an estimated £7.3m after contingency and stock. This represented an increased surplus drawdown of £0.3m from September 2018 and a small deficit reduction of £0.7m.

The Committee noted emerging risks (estimated at £14m) to EA's financial position including a potential estimated increase in deficits (total estimated £10.5m). It also noted the summary analysis provided on schools in deficit which meant that, based on current analysis of spend and available assumptions, schools could overspend their agreed budget positions. Based on the 2018/19 school financial plans, 458 schools were projected to be in a deficit and, based on actual expenditure incurred to date and prior year information, 322 schools were projected to spend more than their financial plan by £13.6m. Mr Boyd said that if current trends continued, school deficits could increase by an estimated £10.5m more than profiled in the school financial plans. It was noted that 136 schools would spend less than their financial plan by £3.1m.

Mrs McCartan said that EA was finalising its viability review of VG / GMI schools. She said that some of these schools were facing significant funding pressures in 2018/19 and would require additional funding to address cash shortfalls in the current year. She said that work was taking place on SEN pupils in this sector and this would be reported through the MEMR. Appendix 3* setting out SEN forecast figures for 2018/19 was noted.

A Member received clarification on the rationale for the estimated pressure within the VG / GMI sector. Mr Boyd referred to risks associated with cash shortfalls for a number of these schools at year end and to current arrangements to support these schools. Members urged officers to use their best endeavours with DE to resolve this risk. A Member queried whether the actions taken by EA to support those VG / GMI schools with cash flow issues should be set out in EA's financial report. He also queried if the Board would receive a copy of the report on the viability review of VG / GMI schools. It was noted that this report was being shared with DE in the first instance.

Mrs McCartan provided an update on the DE Youth budget (£35.170m). While a number of Earmarked allocations were still anticipated from DE, the Committee noted that Youth expenditure was anticipated to come in on target at year end.

The Committee noted that EA continued to manage significant financial risk. It noted the summary of emerging risks and the update provided on planned estimated savings. The RAG rating now showed that 62% of the £15.758m estimated savings were rated amber and above. Based on information available at this time, the Committee noted that EA was unlikely to live within its present recurrent budget without access to additional resources and assuming that all assumptions held.

The Committee also noted that, on 7 November 2018, officers had reported to DE on initial work undertaken on the scale of pressures (£138m) estimated on the block grant in 2019/20, of which £92.8m related to 2019/20 demand. Other pressures included transformation (£8.8m) and schools' surplus drawdown (£13m) which represented a total estimated funding gap of £160m for 2019/20. It was noted that DE had commissioned a separate exercise on estimated savings in 2019/20 and work was currently taking place across EA Directorates. This information would be presented to Board Members at the workshop on 24 January 2019.

9.2 CAPITAL REPORT : EIGHT MONTHS TO 30 NOVEMBER 2018

Mrs McCartan presented the capital report* (FGP/1/19/8.2) detailing spend as at 30 November 2018 (£29.263m) within the overall capital allocation (schools and youth) of £73.265m. This represented 39.9% of the overall budget. She provided an overview of individual budget lines, advising where pressures and easements had been declared and approved by DE.

Indicative 2019/20 allocations had previously been provided by DE for Minor Works (£15m), school meals accommodation (£5m), and non-controlled Minor Works managed schemes (£15m). Indicative budgets were still to be received for Major Works, the School Enhancement Programme, and Fresh Start Schemes.

Mrs McCartan said that all capital allocations and spend profiles were being carefully monitored and EA was continuing to take necessary action to live within its overall budget allocation. The Committee noted the capital position.

9.3 GOVERNOR TRAINING PROGRAMME 2018/19

Mrs McCartan said that finance training materials had been updated for Boards of Governors to reflect the current operating and financial environment. The Finance training programme had commenced in Omagh, five further sessions were scheduled across the region, and additional sessions could be provided subject to demand. She advised that an online eLearning package on Finance would be rolled out to schools in February and would cover various aspects of school finance, including schools' statutory responsibilities, the financial framework, the current funding climate, good practice financial management, monitoring, accountability and audit.

The Chair commented on the disappointing uptake in attendance at the first two training sessions. A Member drew attention to the importance of Governors understanding their responsibilities in managing school finances and asked whether an evaluation tool could be added at the end of the finance eLearning package. Mrs McCartan undertook to pursue this issue.

The Committee noted the paper* (FGP/1/19/8.4).

Action: *Explore potential to add an evaluation tool at the end of the eLearning package.*

10. ANY OTHER BUSINESS - DIGITAL ADMISSIONS

Ms Long said that the new online admissions system had gone live on 3 January 2019. An overview of the volume of traffic to the site was provided. It was reported that by 9.00 am on day 1 of the system going live, over 14,000 applications had been logged. By day 5, over 50% of applications had been submitted online. Ms Long said that officers had phased the system's roll out to schools on account of the volume of traffic to the site in order to support parental application in the initial days.

A Member commented on the surge in traffic in the first days of going live and drew attention to challenges for the system to cope with the volume. Ms Long said that the infrastructure had been given additional support for the month of January and it would continue to receive additional support at peak periods of activity going forward to support parental activity.

Ms Long reiterated that the new online system represented digital application first and not digital application only. Parents were still able to make application for admission to schools through traditional means.

11. DATE OF NEXT MEETING

The next meeting would be held on 5 February 2019.

The meeting ended at 4.25 pm.

Chair	Date
* Paper circulated	** Paper tabled