

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 5 FEBRUARY 2019 AT 2.00 PM IN ANTRIM

1. PRESENT

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

2. IN ATTENDANCE

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

3. ACTING CHAIR

On the proposal of Rev Herron, seconded by Sir Gerry Loughran, Mr G Doran was elected Chair for the meeting.

4. APOLOGY

An apology had been received from Dr I McMorris.

5. DECLARATIONS OF INTEREST

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

6. MINUTES OF MEETING HELD ON 8 JANUARY 2019

A Member suggested a stylistic change to the minutes. This was agreed.

The Committee approved the minutes* (FGP/2/19/4) of the meeting held on 8 January 2019 on the proposal of Mr Craig and seconded by Ms O'Connor.

Mrs Carville entered the meeting at 2.05 pm.

7. MATTERS ARISING FROM THE MINUTES

7.1 CONTINGENCY FUNDING (5.1)

A Member received confirmation that a report on the criteria and distribution of contingency funding to schools would be presented to the Committee for consideration at its March meeting. Mr Collings advised that some information was awaited in order to inform the report.

7.2 CONSTRUCTION WORKS (7.5)

The Committee noted that the tender which had been withdrawn at the previous meeting would be considered within the tender report later in the meeting.

7.3 INEQUALITIES WORKING GROUP (8.2)

The Committee noted that a workshop to review EA's governance structure would be held in March. Members would be notified of the date and venue.

8. CHAIR'S BUSINESS

MATTER REFERRED FROM THE BOARD MEETING HELD ON 24 JANUARY 2019

The Chair reported that the Board had agreed that the Comptroller and Auditor General's public interest report, when finalised, on EA's overspend would be presented to the Committee. Mrs McCartan said that management had responded to the NI Audit Office on the public interest report.

The Chair said that the Board had also agreed that the Annual Report and Accounts for 2017/18, in its final format, would be presented to the Board for approval.

9. FINANCE

9.1 2018/19 FINANCIAL POSITION

RECURRENT REPORT : NINE MONTHS TO 31 DECEMBER 2018

Mrs McCartan presented the financial forecasts, based on information available, as set out in the paper* (FGP/2/19/7.1) 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 £618.612m.

Mrs McCartan said that the December MEMR showed an overall estimated funding gap of £22.19m (excluding Earmarked and Youth) and an estimated block grant funding gap of £16.426m after estimated savings of £15.92m. This was an increase of £760k on the funding gap reported in the November MEMR. The breakdown provided on the block grant funding gap was noted.

Mrs McCartan said that DE had indicated that £14.3m was being made available to EA through January monitoring and internal DE reallocations. This included £6.9m to be directly allocated to schools (£5.6m schools' contingency funding and £1.3m for advances to VG / GMI schools), and £7.4m to fund pressures in services directly supporting schools and children and young people (£5.4m to Special Education and £2m to school meals). These allocations would be reflected in the MEMR once formal confirmation was received from DE. Taking the additional allocations into account, as well as the LMS capital adjustment, the estimated funding gap of £22.19m would reduce to an estimated £4.92m.

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, 951 (89%) of schools plans were in final format and 54 plans were in draft format. She pointed out that 7 schools had not submitted a financial plan in either final or draft format. This included 4 schools which had closed in September 2018 and 2 new schools.

In response to a Member's query, Mr Collings confirmed that he had met the chair of the Board of Governors and the principal of the school which had not submitted a financial plan. As a result, the school's financial plan had been received by EA the previous day.

Mrs McCartan said that, based on the information contained in schools' financial plans, schools were expected to overspend their initial CFF allocations by £32m after savings and additional income of £10.7m (estimated). Schools' financial plans now showed a surplus drawdown requirement of £5.76m after the June monitoring allocation of £8m and total deficits of an estimated £7.3m after contingency and stock. This figure would be impacted by the position on schools' stock, including schools choosing to count stock for

the first time. Mrs McCartan said that if current trends continued, school deficits could increase by an estimated £10.5m more than profiled in the schools' financial plans.

The Committee noted emerging risks (estimated at £13.501m) to EA's financial position including a potential estimated increase in deficits (total estimated £10.5m). Mrs McCartan said that should the emerging risks crystallise, this could increase the estimated recurrent funding gap to £35.7m (£34.49m after January monitoring).

Mrs McCartan said that an estimated £4.9m of savings had been delivered to date across the block grant. This equated to 31% of the total proposed savings to be delivered in year, excluding schools' stock.

The Committee noted Appendix 2* setting out Earmarked allocations to date of £53.391m. Since the last meeting, EA had been notified of additional Earmarked budget allocations of £700k. While some Earmarked allocations were 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 provided an update on the DE Youth budget (£35.170m). While a pressure of £750k related to VES funding, an allocation was expected. It was noted that Youth expenditure was anticipated to come in on target at year end.

The Committee noted an emerging pressure of £1.246m on the capital budget and that officers were engaging with DE in this area. Further information would be provided within the Capital Report later in the meeting.

Members sought clarification on the additional funding being made available to VG / GMI schools. Mr Boyd said that DE had advised that additional funding would be made available to address contingency requirements (£1.6m) and cash shortfalls (£1.25m) for VG / GMI schools through January monitoring. He referred to significant risks associated with cash shortfalls for a number of these schools at year end and to current arrangements to support these schools. Discussions were taking place with the governing bodies of these schools.

In response to a Member's query, Mr Boyd said that entitlements for contingency funding to schools would be reported to the Committee at its March meeting.

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. Should EA's assessment of the financial impacts of the emerging risks crystallise, EA was unlikely to live within its present budget allocations based on latest information and assumptions.

Mrs McCartan drew attention to the Board Member workshop held on 24 January 2019 to consider EA's estimated 2019/20 financial position in the event of receiving a cash flat budget allocation on the basis of the 2018/19 opening allocation. She said that information had been provided to Members on initial work to estimate the scale of pressures and potential savings which could be delivered in 2019/20, based on available information and assumptions. Members had noted pressures of £170m (estimated) and savings of £21.044m (estimated) which left an estimated funding gap of £149m, assuming a cash flat budget. She advised that, since the workshop, further potential savings (£227k estimated) for 2019/20 had been identified following a review of utilities. Based on the information considered at the workshop, Members had noted that EA would not be able to live within its 2019/20 budget, assuming cash flat budgets, due to unavoidable and increasing inflationary pressures, demand for statute and contract based services, and the delegated model for schools.

9.2 CAPITAL REPORT : NINE MONTHS TO 31 DECEMBER 2018

Mrs McCartan presented the capital report* (FGP/2/19/7.2) detailing spend as at 31 December 2018 (£34.891m) within the overall capital allocation (schools and youth) of £73.424m. This represented 47.5% 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 Controlled 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.

A Member referred to works associated with Shared Education and queried if EA was able to avail of any external funding to support these works. It was reported that the capital report detailed only DE budget allocations. External funding for Shared Education projects, for example Peace IV, was reported to the Shared Education Committee.

A Member referred to the business case (£1.93m) which had been approved by DE for transport. Mr Hanna said that a business case was prepared each year to enable re-investment in EA's fleet of school buses. He said that the average age of EA's fleet of buses was increasing each year. EA would require approximately £8m per year as part of a rolling programme to refresh and maintain its fleet of buses. In response to a Member's query regarding the procurement exercise for school bus replacement, Ms Long said that all tendering processes were subject to public procurement guidance.

A Member queried EA's ability to fully spend all capital allocations prior to year end. Ms Long said that the report identified invoices paid at 31 December 2018; however, it did not reflect the value of work completed at that time. 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.

10. OPERATIONS AND ESTATES

10.1 TENDERS

The Committee considered tender reports* (FGP/2/19/8.1.1 and 8.1.2).

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

- Construction Works - Controlled Sector Above Threshold Minor Capital Programme: CfT 1568920 EANI-1304; CfT 1569199 EANI-1305; CfT 1878611 EANI-1488.

On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend that the following tenders should be approved:

- Goods and Services - Above Threshold: BSF-18-018; BSF-18-026; TRN-18-001.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Programme (within approved delegated limits): CfT1564301 EANI-1296; CfT 1568590 EANI-1303; CfT 1753031 EANI-1400; CfT 1885191 EANI-1493; CfT 1897453 EANI-1499; CfT 1908996 EANI-1506.
- Goods and Services - Under Threshold: TRN-18-008.
- Goods and Services - Awarded from External Frameworks: TRN-18-007; ICT-19-006.
- Goods and Services - Select Tenders: ICT-18-007.

10.2 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/2/19/8.2) containing information on contracts which had been signed and sealed.

10.3 LAND AND PROPERTY TRANSACTIONS

Mr Pollock declared an interest in Waringstown Primary School.

Wayleave Agreement: Annalong Primary School; Devenish College, Enniskillen.

Granting / Renewal / Surrender / Variation of Lease Agreements: St Clare's Convent Primary School, Newry; St Colman's Abbey Primary School, Newry.

Licence Agreement / Right of Way Agreement: Garvagh Primary School; Ballymoney Nursery School; Waringstown Primary School.

Disposal / Transfer: Garvagh Youth Centre.

Removal of Restrictive Covenant: former Ballymoney Music Centre.

Rectification of Boundary: Fountain Primary School, Londonderry.

Acquisition: Birches Primary School, Portadown

Ms Long detailed the recommendations set out in the report* (FGP/2/19/8.3).

On the proposal of Mrs Carville, seconded by Mr Craig, the Committee agreed to recommend the adoption of the transactions in the report.

11. HUMAN RESOURCES

11.1 ORGANISATIONAL DEVELOPMENT AND LEARNING STRATEGY

Ms Rogers presented a paper* (FGP/2/19/9.1) giving an overview of the stakeholder engagement that had taken place to date to inform the draft Organisational Development and Learning Strategy. She advised that work was taking place to develop the emerging priority themes identified through consultation, as set out in the paper.

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to hold a workshop to discuss the draft Organisational Development and Learning Strategy and the proposals for implementation.

At the request of a Member, Ms Rogers undertook to ensure that all proposals presented at the workshop would be fully costed.

Action: *Workshop on the draft OD&L Strategy to be held; all proposals to be fully costed.*

11.2 EQUALITY ACTION PLAN 2019-22 AND DISABILITY ACTION PLAN 2019-22 POST CONSULTATION REPORT

Mrs Duffield presented the paper* (FGP/2/19/9.2) setting out EA's response to comments received from public consultation on EA's Equality Action Plan and Disability Action Plan. The actions in both Plans aligned to EA's Strategic Plan 2017-2027. Mrs Duffield said that both Plans had been approved by the Board in March 2018 and had issued for public consultation on 9 April 2018 for a twelve week consultation period. She referred to the list of consultees, including the approaches taken to ensure wide engagement with consultees on the two Plans, as set out in the paper.

Mrs Duffield said that 17 written consultation responses had been received of which 15 were from organisations and 2 were from individuals. In general, comments received had been positive and supportive of the broad action measures outlined in the Plans. Mrs Duffield summarised the comments received and the changes which had been made to a number of actions in both Plans, based on feedback, as outlined in the paper.

A Member said that he had attended the meeting of the Joint Consultative Forum in May 2018 at which both Plans had been discussed as part of the consultation process. He said that while a number of consultees had not been included in EA's list of consultees at that time, he welcomed the fact that EA's list had been subsequently extended. He expressed a number of concerns around the manner in which information was presented in the Equality Action Plan. The reference that EA would join a Diversity Champions Programme in the documentation had not identified the provider. The Board, in taking its decision in March 2018 to agree the Plan, had therefore been unaware of the provider. In addition, consultees had been given no opportunity to comment on the provider during the consultation exercise. He expressed reservations in the provider as he considered that its programmes were offered from a particular perspective. He said the Equality Action Plan stated that EA would seek to become a Stonewall top 100 employer. He queried the implications for the EA of being a Stonewall Diversity Champion and the potential for assessment of EA's operations to be a Stonewall top 100 employer. He said that, at a meeting with the Chief Executive in December 2018, he had requested information on this particular matter. He asked for this information to be conveyed to him as soon as possible. He referred to correspondence between the Equality Commission and EA which had indicated that EA could proceed to implement year one actions where these were non-controversial. He queried why a year two commitment had been implemented prior to completing a consultation exercise in year two.

Mr Boyd said that the Equality Commission had been satisfied with the process undertaken by EA to consult on the Equality Action Plan and the Disability Action Plan whilst delivering a number of the actions. Feedback from consultation had shown that the actions outlined in the Plans were widely supported. He said that public organisations used benchmarking tools to inform best practice and to improve performance and service delivery. A number of major public sector organisations had become members of the Diversity Champions Programme. EA's membership of the Diversity Champions Programme was in line with EA's aspirations to be an excellent employer for all EA's employees. Mrs Duffield provided details of the Diversity Champions Programme and the benefits it offered to EA. These included access to resources, a network of other employers and specialist advice. She clarified the difference between EA's membership of this programme and other 'charters' which EA had signed up to: The Joint Declaration of Protection for Dignity at Work and Inclusive Working Environment. EA had signed up to this charter in partnership with trade unions under JNC in Spring 2018 and The ECNI Mental Health Charter. She confirmed that Stonewall offered a range of programmes to around 800 organisations across the UK of which the Diversity Champions Programme was one. She referred to organisations within NI which were also members of the Diversity Champions Programme.

In response to a Member's query, Mrs Duffield confirmed that the Equality and Disability Action Plans applied to all teaching and non-teaching staff, with particular focus being given to issues impacting on children and young people. She undertook to ascertain CCMS' position with regard to joining the Diversity Champions Programme.

Some Members sought clarity on the role of the Diversity Champions Programme when EA was developing guidance and programmes. Mrs Duffield said that membership enabled EA to have access to resources, expertise and information along with access to a network of other employers who were interested in matters of diversity. She said that whilst EA had access to these resources, it was a matter for EA as to how they were used.

A number of Members pointed out that both the Equality Action Plan and the Disability Action Plan had already been approved by the Board in March 2018 and that both Plans had received positive feedback through public consultation.

A Member drew attention to EA's responsibilities to support school leaders in managing sensitive issues. A Member pointed out that draft guidance to schools on matters of diversity would be presented to the Board for approval in the first instance. He said that, in the future drafting of such guidance, officers should be mindful of Members' comments at the present meeting.

The Committee noted the Equality Action Plan and the Disability Action Plan which included the enhancements to both Plans based on consultation feedback.

Action: Respond to the Member's request for information; ascertain CCMS' position with regard to joining a Diversity Champions Programme.

11.3 ARTICLE 55 RETURN

Mrs Duffield presented the report* (FGP/2/19/9.3) which provided information on the composition of EA's workforce and employment practices for the period 1 January 2016 to 1 January 2018. This was the first Article 55 Review report to be completed by EA as a new organisation. Mrs Duffield said that while the report was not submitted to the Equality Commission, the Equality Commission did have the right to ask for, assess, and make recommendations regarding the report.

The Committee noted the paper.

12. DATE OF NEXT MEETING

The next meeting would be held on 5 March 2019.

The meeting ended at 3.32 pm.

Chair

Date

* Paper circulated

** Paper tabled