

6.3 BOARD MEMBER'S QUERY

Following a request at a meeting in November 2018, it had been agreed that information would be provided to Members on EA's definition of 'ethnicity' which applied in equality screening documents. A Member who had requested the information had suggested that EA should consider the findings of *Mandla v. Dowell Lee* [1983].

It was reported that EA interpreted the term 'racial/ethnic group' in line with Northern Ireland equality legislation, namely the Race Relations (Northern Ireland) Order 1997 as amended and Section 75 of the Northern Ireland Act 1998. It was a matter for the courts to determine which groups were recognised as an ethnic group. This position had been outlined by Lord Rooker, Minister of State, NI Office on 24 July 2006 in response to a question by Lord Laird.

A Member requested a copy of the response in writing. This was agreed. The Member, whilst accepting the point made, referenced findings relating to another case and suggested that consideration should be given to its outcome. He said he had raised the matter when consideration had been given to aligning the Irish Medium Education bursary scheme with the Learning Leaders' Strategy. His particular query had related to whether consideration had been given by EA to funding parallel schemes for other cultural traditions.

The Chair said that the Member should discuss the matter further with officers following the meeting.

Action: Member to receive copy of the information provided at the meeting in writing.

6.4 AWARDS 2019

The Chair congratulated HR on being shortlisted in the CIPD NI HR Awards for the category 'Excellence in HR'. Category winners would be announced on 16 May 2019.

The Chair of the Board also congratulated Transport on being shortlisted for an innovative transport project in the Digital DNA Awards.

7. FINANCE

7.1 REPORT OF THE COMPTROLLER AND AUDITOR GENERAL ON EA'S ANNUAL REPORT AND ACCOUNTS 2017/18

Mr Wade said that the Comptroller and Auditor General (C&AG) had produced a report to accompany his audit opinion on EA's overspend of £16.6m compared to its 2017/18 budget allocation. The C&AG's report had previously been considered in draft format by the Audit and Risk Assurance Committee at its meeting on 17 January 2019.

Mr Wade said that the C&AG, in his report, had commented on a revision to EA's accounting policy to include school stock of £9.3m as inventory for the first time in 2017/18. The inclusion of school stock as an asset at year end had reduced the expenditure recorded in the Statement of Comprehensive Net Expenditure for 2017/18. In addition, the C&AG had commented that EA's overspend had related mainly to overspends in special educational needs (£12.7m), school meals (£2.4m) and an unfunded cost associated with the introduction of the Apprenticeship Levy (£5.3). The report had also noted that EA's financial position had been offset by net underspends in other service areas totalling £2.8m.

The Committee noted the report* (FGP/4/19/6.1).

7.2 2018/19 FINANCIAL POSITION

RECURRENT REPORT : ELEVEN MONTHS TO 28 FEBRUARY 2019

Mr Wade presented the financial forecasts based on information available as set out in the paper* (FGP/4/19/6.2), including the MEMR* (Appendix 1). The total 2018/19 budget for the Schools' Delegated Budget was £1,171.779m with a Block Grant allocation of £636.635m.

Mr Wade said the recurrent budget allocation had increased by £0.304m as a result of additional allocations for Earmarked budgets (£0.306m) and a reduction in entitlement framework (£0.002m).

The February MEMR showed an overall estimated funding gap of £18.5m (excluding Earmarked and Youth) and an estimated Block Grant funding gap of £15.38m after estimated savings of £14.83m. The overall funding gap had increased by £1.99m (estimated) and the Block Grant funding gap had increased by £2.5m (estimated) due to a number of emerging estimated pressures and easements as well as budget adjustments. These related to special educational needs (£0.301m estimated pressure and reclassification of £0.555m), substitution costs (£0.299m estimated pressure), rates (£0.138m estimated pressure), transport (£0.675m estimated pressure), other resources held at centre (£0.845m estimated pressure), and school meals (£0.158m estimated easement). Based on updated information and assumptions, the latest estimate of LMS capital had been profiled at £3.5m. This required an adjustment to the LMS capital reclassification total by £0.3m which, subject to DE approval, would increase the estimated Block Grant funding gap to £15.68m.

Mr Wade said that the school surplus drawdown requirement was estimated to be £3.12m and the deficit position was estimated to be £17.24m. This took into account increased contingency (£5.8m estimated), reduced LMS capital spend (£0.5m estimated), and stock savings for schools choosing to count and value stock for the first time (£7m estimated). The final position would not be known until year end processes had completed.

The Committee noted that 96% of school plans were in final format. It also noted that LMS officers were now commencing schools' financial planning for 2019/20.

Mr Wade said that arrangements would be made to re-establish the Working Group on School Surpluses and Deficits. The Chair of the Board referred to research undertaken recently on schools in England which might be beneficial to the Working Group's deliberations.

Mr Wade said that, following the adoption of the emergency funding scheme for Voluntary Grammar and Grant Maintained Integrated Schools in March, a letter had been issued to relevant VG/GMI schools to inform them of the new scheme and its associated conditions. He provided a report on funding made available to seven schools as part of that scheme.

The Committee noted Appendix 2* giving a breakdown of DE recurrent budget allocations at the end of February.

The Earmarked budget was £70.737m. While some Earmarked allocations were still awaited, it was anticipated that there would be no overspend in this area once all allocations had been received from DE.

The DE Youth budget was £35.141m. 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.

Mr Wade said that the February MEMR reflected updated estimated savings of £14.83m. To date £6.4m savings had been delivered across all MEMR Block Grant lines which equated to 43% of total proposed savings to be delivered in year. If stock was excluded, £6.4m out of £7.73m planned savings (82%) had been delivered.

The Committee noted that EA continued to operate at significant financial risk and was unlikely to live within its present budget allocations based on latest information and assumptions.

Mr Wade said that EA had been notified of the 2019/20 Resource Allocation budget on 8 March 2019. This included: Schools' Delegated Budget £1,229.31m, Block Grant £643.19m, and Earmarked budget £68.19m. Mr Wade said that a report on the profiled financial position for 2019/20 would be presented to the Board on 30 April 2019 for approval along with the 2019/20 Initial Budget Plan. The Plan was required to be submitted to DE by 2 May 2019.

The Chair referred to the budget workshop held on 24 January 2019 to consider estimated emerging pressures and savings for 2019/20. At that stage, Members had noted an overall estimated funding gap of £149m assuming a cash flat budget. This figure had not taken in account the outstanding teacher pay negotiations or the deteriorating financial position in schools.

A Member sought clarity on the stock take exercise. Mrs McCartan said that schools which chose to complete a count for the first time benefitted financially. A database had been developed to support schools to complete their stock take and to update information on an annual basis. She said that 216 schools had taken part in the stock take exercise in 2017/18. In the current year a similar number of schools were undertaking the exercise for the first time. Mr Wade said that the benefits from the initial stock take more than outweighed any potential variances in future years.

A Member said that the value of a stock take in schools meant that schools could use that additional resource to enhance provision for pupils. He commended officers on the development of the database to record stock which he said was user friendly.

7.3 CAPITAL REPORT : ELEVEN MONTHS TO 28 FEBRUARY 2019

Mrs McCartan presented the capital report* (FGP/4/19/6.3) detailing spend as at 28 February 2019 (£49.145m) within the overall capital allocation (schools and youth) of £77.276m. This spend represented 63.6% of the overall budget. Mrs McCartan said that while the report identified invoices paid at 28 February 2019, it did not reflect the value of work completed at that time. It was anticipated that all monies would be fully spent by 31 March 2019.

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

8. HUMAN RESOURCES

REVIEW OF RECRUITMENT FOR NON TEACHING POSTS

Mrs Gallagher presented a paper* (FGP/4/19/7) setting out progress on the review of Recruitment Services. She advised that a steering group had been established in September

2018, comprising EA managers, school principals and a governor, to support activity within the review. External benchmarking had also been undertaken against other recruitment providers who had similar complexities and challenges in service delivery. Within the wider EA One programme, she said that a project team had been established to lead on the implementation of the new online recruitment system called Taleo. In addition, work had focused on the development of a new recruitment framework for non-teaching posts and a new recruitment toolkit to support managers through the recruitment process. All aspects of the recruitment review had been undertaken to align with the development and implementation of the online recruitment system.

Mrs Gallagher drew attention to the benefits of the new framework which hiring managers would be required to work within for all non-teaching employees across EA directorates, functions and services. The framework would also apply to the recruitment of all school based support staff employed by EA. The framework would be implemented alongside the launch of phase one of the online recruitment system for corporate recruitment and would be supported by a programme of communication and training. She said that Directors had prioritised a list of managers to receive initial training over the coming months. Thereafter, recruitment and selection training would become part of a rolling programme to be provided to managers.

Mrs Gallagher said that a programme of engagement, communication and training for schools was planned for September to December 2019 to coincide with the launch of online recruitment for schools which was planned to take place in January 2020.

A Member commented on new terminology in the framework, specifically 'hiring managers' and 'HR Recruiters'.

A Member said that the framework detailed a list of relevant family relationships to show where a panel member was required to disclose a conflict of interest. He said the list was quite prescriptive and could present challenges, perhaps in rural areas, where candidates were known to the panel. Mrs Gallagher said the list of relevant family relationships was consistent with protocols. In terms of wider family or personal relationships, it would be normal practice to ensure openness and transparency amongst panel members to ensure that the panel was content to proceed. She said that this issue had also been discussed by the Membership and Teaching Appointments Committee in respect of the reconstitution process for Boards of Governors. Mrs Scott said that the Corporate Leadership Team would be giving consideration to appropriate quorums for panels, which were established to appoint non-teaching staff at varying grades, in line with schemes of management.

The Committee noted the paper.

9. OPERATIONS AND ESTATES

9.1 TENDERS

The Committee considered tender reports* (FGP/4/19/8.1.1 and 8.1.2).

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

- Construction Works - Controlled Sector Above Delegated Limits - Minor Capital Programme: CfT 1947245 EANI-1534; CfT 2069989 EANI-1604; CfT 2070190 EANI-1606.
- Construction Works - Controlled Sector Above Delegated Limits - Major Capital Programme: EANI 1457.

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

- Goods and Services - Above Threshold: FES-18-007; ICT-19-001; ICT-19-007.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Programme (within approved delegated limits): CfT 1993370 EANI-1560; CfT 2010185 EANI-1577; CfT 2019948 EANI-1583; CfT 2034455 EANI-1587; CfT 2054257 EANI-1593; CfT 2068060 EANI-1600; CfT 2071105 EANI-1608; CfT 2075378 EANI-1611.
- Construction Works - Controlled Sector Major Capital Programme (Minor work to be taken forward in advance of Major Capital Programme): EANI 1483.
- Goods and Services - Under Threshold: TRN-18-012; FES-19-001.
- Goods and Services - Awarded from External Framework: ICT-19-009.
- Goods and Services - Select Tenders: ICT-19-002; BSF-19-004.

9.2 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/4/19/8.2) containing information on contracts which had been signed and sealed.

9.3 LAND AND PROPERTY TRANSACTION

Wayleave Agreements: Lisnadill Primary School, Armagh; site for new Ardnashee School, Londonderry.

Granting / Renewal / Surrender / Variation of Lease Agreements: Portrush Primary School; former Ulidia Resource Centre, Belfast.

Granting / Renewal / Surrender / Variation of Licence Agreements: Down High School.

Disposals / Transfer: Rosstulla School, Newtownabbey

Mr Hanna detailed the recommendations set out in the report* (FGP/4/19/8.3).

On the proposal of Mr Doran, seconded by Mrs Carville, the Committee agreed to recommend that the transactions detailed in the report should be approved.

10. CHAIR'S COMMENTS

The Chair expressed appreciation to Members for supporting him as Chair over the last four years and for their services to the Committee.

The Chair of the Board paid tribute to the Chair for his leadership to the Committee.

11. DATE OF NEXT MEETING

The next meeting would be held on 7 May 2019.

The meeting ended at 2.52 pm.

Chair

* Paper circulated

Date

** Paper tabled