

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 4 JUNE 2019 AT 2.00 PM IN ANTRIM**1. PRESENT** Dr I McMorris (Chair)

Mrs P Carville Mr N McCausland
Mr G Doran Mr K Mulvenna
Rev R Herron Ms S O'Connor
Sir Gerry Loughran

2. IN ATTENDANCE

Mrs C Duffield, Mr D Hanna, Mr S Wade, Ms L McCall, and for part of the meeting Mr R McGreevy and Mrs S Mooney.

3. APOLOGIES

Apologies had been received from Ms Á Andrews and Mrs M Culbert.

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 7 MAY 2019

The Committee agreed the minutes* (FGP/5/19/4) of the meeting held on 7 May 2019 on the proposal of Mr Doran and seconded by Mr McCausland.

6. MATTERS ARISING FROM THE MINUTES**6.1 REPORT OF COMPTROLLER AND AUDITOR GENERAL ON EA'S ANNUAL REPORT AND ACCOUNTS 2017/18 (6.2)**

Mr Wade said that, during the audit of the accounts, consideration would be given to the presentation of statutory obligations as part of the CYPS Directorate year end outturn position.

6.2 EA ONE PROJECT (8.1)

Mr Wade provided a report on arrangements to take forward the appointment of the ICT Security Officer. The process concerning job evaluation and Trade Union engagement was nearing conclusion.

6.3 INITIAL BUDGET PLAN 2019/20 (8.4)

Mr Wade said that the Initial Budget Plan and the accompanying letter, which had been further amended at the May Board meeting, had been issued to DE on 24 May 2019.

7. CHAIR'S BUSINESS**MATTER REFERRED FROM THE EDUCATION COMMITTEE**

The Chair said that, at the Education Committee meeting on 16 May 2019, a query had been raised on the process to facilitate telecommunication masts on the school estate. Mr Hanna undertook to provide a report to the Committee on this issue at a subsequent meeting.

Action: Report on process to facilitate telecommunication masts on the school estate to be provided to the Committee.

8. HUMAN RESOURCES

HR ACTIVITY REPORT 2018/19

Mrs Duffield presented a paper* (FGP/6/19/6.1) summarising high level activities across HR, Legal Services and Equality. She said that while the current HR system could not facilitate the compilation of a sophisticated quantifiable dashboard of activity, officers were working to develop an interim score card under the Service Standards and Performance and Planning framework in advance of the implementation of EA One. She said that each Directorate would be presenting its own business plan to the relevant Committee in the near future.

Mrs Duffield made specific reference to work streams associated with employee relations, legal services, equality training, HR services including the introduction of online recruitment and pre-employment checking, and health and wellbeing. She said that EA had recently been nominated for two Inspire awards for health and wellbeing initiatives. She undertook to provide a more detailed update would be provided to the Committee in the Autumn on EA's broader health and wellbeing strategy. An update would also be provided to the Committee in the Autumn on changes within the HR structure.

A Member referred to the number of employee relations cases and queried if comparative information was available for previous years. Mr McGreevy said that this information was now being collected centrally and would provide benchmark data for future years. The management information process would be enhanced by the introduction of EA One. He advised that historically this information had been gathered by individuals within the legacy organisations and therefore no central database had been maintained. Members requested that further breakdown of information should be provided to the Committee on employee relations cases for 2018/19. This would include the number of cases which were school based / non-school based, the timeframe of cases, and financial implications. Mr McGreevy referred to a number of processes which were now in place to support the management of employee relations cases. These related to Internal Audit support, engagement with the PSNI, and alternatives to precautionary suspensions.

Members noted data concerning the number of instructions that EA Solicitors had received in the previous year to deal with a range of legal matters. They also noted data on the main litigation areas over the past five year period. Particular concern was highlighted around the significant rise in the number of SENDIST cases during this period. Mrs Duffield provided a summary report on the basis for a sample of SENDIST cases being initiated. She said that EA Solicitors were currently examining how early intervention could prevent cases proceeding to industrial tribunal. A Member highlighted that the EA Solicitors' team carried significant risk. He requested further detailed information in this area, to include emerging trends and whether there was a pattern in the spread of SENDIST cases across the region.

The Chair of the Board said that the matter concerning the significant rise in SENDIST cases could also be considered by the Children and Young People's Services Committee, particularly where improved communication could help prevent cases proceeding to industrial tribunal.

A Member referred to the significant number of pre-employment checks carried out in 2018/19. Clarification was provided on processes around pre-employment checking. It was noted that EA One would provide better management information and minimise work.

In response to a Member's query, Mrs Duffield said that approximately 40% of recruitment activity for corporate posts related to Classroom Assistants to support pupils with special educational needs (funded within the CYPS Directorate), and approximately 30% related to

posts within the Operations and Estates Directorate in respect of drivers, school meals and cleaning staff. The Member requested that information provided in documents on HR corporate appointments should clarify the nature of HR appointments. He also said that the paper to be presented to the Committee in the Autumn on the review of the HR structure should set out further opportunities for savings and efficiencies.

The Committee noted the paper.

Action: *Detailed information to be provided to the Committee in the areas of employee relations and legal services. Matter concerning the significant rise in the number of SENDIST cases to be referred to the CYPS Committee. Paper to be presented to the Committee in the Autumn on the progress of the review of the HR structure.*

9. FINANCE

9.1 PROVISIONAL OUTTURN 2018/19 - UPDATE

Mr Wade said the provisional outturn was showing an overspend against budget of £15.2m. The movement in the position previously reported to the Committee in May (£17.4m estimated overspend) was as a result of the ongoing work around school stock. He said that while all schools had been urged to engage in the stock counting process, just over 400 schools were currently involved. He reported that overall savings to date from school stock now amounted to an estimated £18m. Work would continue to finalise the position which would be reported at final outturn.

The Chair of the Board said that scope existed to promote the benefits of the school stock counting process through school leadership development programmes.

The Chair also highlighted the importance of Governors being trained appropriately in financial management.

9.2 ANNUAL REPORT AND ACCOUNTS 2018/19

Mr Wade said that the Audit and Risk Assurance Committee (ARAC) had considered the 2018/19 Annual Report and Accounts at its meeting on 30 May 2019 and had agreed to submit the draft document to NIAO and DE in accordance with the timeframe. He said that audit fieldwork would commence in September with the intention that the final Annual Report and Accounts would be presented to the Board for endorsement in November and certification of the Financial Statements would take place the first week in December.

In response to a Member's query, Mr Wade advised that ARAC had primary responsibility for reviewing the Annual Report and Accounts.

Mr Wade said that the Annual Report and Accounts was structured into three parts: the Performance Report, the Accountability Report including the Governance Statement, and the Financial Statements. He reported that ARAC had agreed some amendments to the Governance Statement and had noted that the Performance Report would be further developed in the coming months with infographics and pictures. He drew attention to the four Primary Statements and Notes to the Accounts, including the detail provided on the provisional outturn position.

Mr Wade said that it was not yet clear if the Comptroller and Auditor General would approach EA's 2018/19 overspend in the same manner as was taken for the 2017/18 financial year.

The Chair of the Board requested a minor change to the Equality Statement contained within the Performance Report.

The Committee noted the draft Annual Report and Accounts 2018/19.

Action: *Minor amendment to be made to the Equality Statement.*

9.3 INITIAL CAPITAL ALLOCATION 2019/20

The Committee noted the paper* (FGP/6/19/7.3) which set out the initial capital allocation for schools and youth totalling £78.655m. Mr Wade said that these allocations would be reviewed on a monthly basis through the capital monthly monitoring return and adjustments would be made to reflect emerging requirements during the year and as further information became available. The breakdown of the preliminary capital allocation across the various budget areas was noted.

9.4 INITIAL CASH ALLOCATION 2019/20

The Committee noted the paper* (FGP/6/19/7.4) which set out EA's indicative cash allocation of £1,230m for the period 1 April 2019 to 31 March 2020. This amount included a cash allocation of £275m for Voluntary Grammar and Grant Maintained Integrated schools.

Mr Wade said that EA had submitted a projected cash requirement of £1,267m to DE which had taken account of significant projected budget pressure for 2019/20. DE had advised that the 2019/20 allocation was based on the 2018/19 cash allocation of £1,168m with an additional allowance for the increased pension contribution pressure of £62m. Mr Wade highlighted that there was significant risk that the cash allocation would be insufficient to meet EA's requirements based on current projections.

The Chair sought a progress report on the pressures exercise. Mr Wade said that Ms Long had introduced quarterly accountability meetings with each of the Directors to scrutinise individual budgets. Consideration was being given to service areas which were non-fixed. He said that where there was no funding available to support planned service development, it had been agreed that a case for the particular service would be presented to the relevant Committee for consideration.

A Member thanked Mr Wade for attending a recent meeting of the Association of Controlled Grammar Schools. He referred to an issue of concern that had been discussed at the meeting which related to the impact of increasing pension costs on schools. Mr Wade said that he was raising this particular issue with DE.

The Committee noted the basis of DE's cash allocation for 2019/20 and the risk that the cash allocation would be insufficient to meet EA's requirements based on current projections. Mr Wade said that EA would continue to monitor and review the actual cash drawdown and requirements and would keep DE informed of any variances in spend.

A Member said that, given the scale of the expenditure reduction required for 2019/20, many of the decisions that were necessary to address the budget pressures would require Departmental or Ministerial approval as well as requiring public consultation. He asked officers to produce a paper detailing potential unpalatable savings. Mr Wade undertook to liaise with Ms Long in order to take this action forward.

Members discussed DE's review of school transport policy. It was agreed that Mr Hanna would invite representatives from DE's project team to make a presentation to the Committee in the near future on the review.

Actions: *Commence exercise to set out potential unpalatable savings. Representatives from DE's project team to be invited to make a presentation to the Committee in the near future on the review of school transport policy.*

10. OPERATIONS AND ESTATES

10.1 STRATEGIC REVIEW AND PROCUREMENT OF MAINTENANCE AND MINOR WORKS - UPDATE

Mr Hanna said that EA provided minor works and maintenance to over 1,200 schools. As part of DE's transformation programme, the strategic review of maintenance and minor works was a priority. He presented a paper* (FGP/6/19/8.1) giving an update on the engagement undertaken with principals and stakeholders as part of the review, progress on interim measures taken to date, and the next steps for the new procurement exercise.

Mr Hanna said that a Project Board had been established to have oversight of the design, procurement, and implementation of the new delivery model. The Project Board comprised representatives from EA, DE, and principals across all sectors. A principals' reference group had also been established to progress the development and delivery of recommended improvements. He said that the findings from the principals' reference group would be discussed by the Project Board.

Mr Hanna drew attention to the timeline and key milestones for the procurement arrangements for minor works and maintenance. It was anticipated that the procurement strategy would be completed in September 2019 and a report would be provided to the Committee at that stage.

The Committee welcomed progress in this area. The report was noted.

10.2 TENDERS

The Committee considered tender reports* (FGP/6/19/8.2.1 and 8.2.2).

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to approve the following tender:

- Goods and Services - Above Threshold: BSF-18-009.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Programme (within approved delegated limits): CfT Resource ID 1879582 EANI-1489; CfT Resource ID 1946476 EANI-1533; CfT Resource ID 1964486 EANI 1544; CfT Resource ID 1986680 EANI 1557; CfT Resource ID 2068726; CfT Resource ID 2070391 EANI 1607; CfT Resource ID 2080684 EANI 1617; and CfT Resource ID 2131933 EANI 1642.
- Goods and Services - Awarded from External Framework: ICT-19-018; ICT-19-022.
- Goods and Services - Select Tenders: FES-19-004.

10.3 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/6/19/8.3) containing information on contracts which had been signed and sealed.

10.4 LAND AND PROPERTY TRANSACTIONS

Wayleave Agreements: Crawfordsburn Primary School, Bangor; Carniny Primary School, Ballymena; Damhead Primary School, Coleraine; Dunluce School and Bushmills Educational Centre; former Magherafelt Primary School x 2.

Granting / Renewal / Surrender / Variation of Lease Agreements: Strathfoyle Campus; St Joseph's College (school meals accommodation), Coleraine.

Granting / Renewal / Surrender / Variation of Licence Agreements: Castle Gardens Primary School, Newtownards; Derryboy Primary School, Crossgar.

Disposals: Gracehill Primary School, Ballymena; Ballysillan Primary School, Belfast.
Title Rectification Transfer of Land: Eden Primary School, Ballymoney.

Mr Hanna detailed the recommendations set out in the report* (FGP/6/19/8.4).

On the proposal of Ms O'Connor, seconded by Mrs Carville, the Committee agreed to recommend that the transactions detailed in the report should be approved.

11. ANY OTHER NOTIFIED BUSINESS

POST PRIMARY ADMISSIONS

The Chair of the Board said that the post primary admission process had concluded on Friday, 31 May 2019 and letters had issued to parents on that day to advise them of the outcome of their post primary applications. She paid tribute to the team of staff who had supported families over the weekend by means of EA's new helpline facility. Mr Hanna said that 22 members of staff had received over 1600 telephone calls over the weekend. The majority of calls had related to families who had been disappointed that their children had not been admitted to first preference schools.

The Chair of the Board said that communication around EA's role to facilitate the admissions process would be revisited.

12. DATE OF NEXT MEETING

The next meeting would be held on 3 September 2019.

The meeting ended at 3.19 pm.

Chair

* Paper circulated

Date

** Paper tabled