

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

1. PRESENT

Mrs P Carville	Mr N McCausland
Mr G Doran	Mr K Mulvenna
Rev R Herron	Ms N Toman
Sir Gerry Loughran	

2. IN ATTENDANCE

Ms S Long, Mrs C Duffield, Mr D Hanna, Mr S Wade, Mrs S McCartan, Ms L McCall and for part of the meeting Mr R McGreevy, Mr P Burns, Mr M McDermott, and Mrs S Mooney.

3. APOLOGIES

Apologies had been received from Ms Á Andrews, Mrs M Culbert, Dr I McMorris, and Ms S O'Connor.

4. ELECTION OF ACTING CHAIR

On the proposal of Mrs Carville, seconded by Mr Craig, the Committee agreed to elect Mr G Doran as Acting Chair for the meeting.

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 1 OCTOBER 2019

The Committee agreed the minutes* (FGP/10/19/3) of the meeting held on 1 October 2019 on the proposal of Mr Craig and seconded by Mrs Carville.

7. MATTERS ARISING FROM THE MINUTES

7.1 2019/20 FINANCIAL POSITION – ENGAGEMENT WITH POLITICAL PARTIES (7.2)

Ms Long said that EA's Communications Strategy would formally set out approaches to be adopted in respect of engagement with stakeholders, including political parties. The Communications Strategy would be presented to the Board in due course. In response to a Member's query, Ms Long confirmed that meetings with political party representatives continued to take place as part of the normal course of business.

7.2 VARIATION AGREEMENT BETWEEN THE BANK OF IRELAND AND EA (7.4)

A report on current arrangements for cash handling in schools and their impact on tendering for banking services would be provided to the Committee at its January meeting.

7.3 TENDERS - NI PUBLIC SECTOR SHARED NETWORK PROJECT (8.2)

A report on progress of the NI Public Sector Shared Network Project would be provided to the Committee at its January meeting.

8. CHAIR'S BUSINESS

RENEWAL AND EXTENSION OF CURRENT BUILDING AND MECHANICAL & ELECTRICAL TERM SERVICE CONTRACTS

Mr Hanna presented a paper** (FGP/11/19/5) setting out the rationale to renew 10 Term Service Contracts (TSCs) to 31 March 2020 in order to maintain operational service delivery within the contract period of individual TSCs. He also drew attention to the extension of 12 TSCs to 31 March 2020 through the contract award of Voluntary Ex-Ante Transparency Notices (VEAT). He pointed out that 2 further TSCs for Grounds Maintenance were currently being reviewed. Mr Hanna said that the renewal of the 10 contracts to 31 March 2020 would align with the VEAT extension periods and the implementation of the new procurement of Maintenance and Minor Works. He advised that an update would be provided to the Committee at its January meeting on the Review and Procurement of Maintenance and Minor Works.

A Member received assurance that all procedures for the proposed renewal and extension of the TSCs had been correctly followed in line with procurement guidelines.

On the proposal of Mrs Carville, seconded by Mr Mulvenna, the Committee agreed to recommend the renewal of the 10 TSCs and the extension of the 12 TSCs, as set out in the paper.

9. EA BUSINESS PLAN 2019/20

Mr Hanna advised that the draft Business Plan had been amended to take account of the issues raised by Members at the Board meeting on 23 May 2019. The plan now reflected a more child centred approach and included information on additional costs to achieve actions. Four headings had been identified to provide information on funding streams in the plan. These included: transformation funding, earmarked funding, action to be completed within current resources, and pressure area. Mr Hanna presented the Business Plan for 2019/20* (FGP/11/19/6) which also set out progress against quarter one. He said that all activities within quarter one were broadly on target.

Mr Hanna said that the Corporate Leadership Team had put in place arrangements for its annual schedule of meetings, including quarterly planning and performance meetings.

On the proposal of Mr Mulvenna, seconded by Mrs Carville, the Committee agreed to recommend the adoption of the Business Plan for 2019/20.

10. HUMAN RESOURCES

10.1 HR STRUCTURE - UPDATE

Mrs Mooney presented a paper* (FGP/11/19/7.1) providing an overview of the HR operating model and setting out progress on implementation of the HR structure below tier 4. She said full implementation of the HR structure was anticipated to conclude by 31 December 2019 which meant that HR would be EA's first fully regionalised service. The new model would provide improved services with improved customer focus, dedicated resources across priority areas in the most economic way, and a much improved HR contact model for schools.

A Member queried the number and level of staff based at the various EA locations. Mrs Duffield said that Directorate structures had been developed across the region on a functional basis and cognisance had been given to ensuring local leadership presence in each of the three main localities. Ms Long said that local leadership teams were being established in the various locations to take leadership responsibility for that area in conjunction with their role as service leaders. She advised that information on locality

leadership networks would be presented to the Education Committee at its November meeting.

A Member said that the draft Programme for Government placed an emphasis on a balance of employment across the region. She asked for information on the services provided within each HR function to be provided to the Committee as part of presenting such a report. It was noted that information on the services provided within each HR function had been presented previously to the Committee but, in order to ensure clarity, this information would again be provided.

A Member received assurance that the HR contact model would provide information for schools on key contact details and structures within their own locality.

In response to a Member's query, Mrs Duffield advised that HR partners supported all Directorates to manage structural change and thus ensure consistency across the organisation.

The Committee noted the paper.

Action: *Details of the responsibilities within each HR function to be recirculated to Members.*

10.2 HEALTH AND WELLBEING STRATEGY 2019-22

Mr McGreevy presented the Health and Wellbeing Strategy for 2019-22* (FGP/11/19/7.2) and the associated action plan*. In a presentation*, he drew attention to the development of the strategy, key themes and key deliverables. Officers had consulted widely on the strategy and had received feedback and endorsement from school leaders, schools, services, line managers, staff and trade unions. EA's Business Plan 2019/20 had a specific objective to give focus to creating an organisation where people wanted to work by committing to the development of a culture of health and wellbeing within EA. In the current year, this commitment involved the delivery of the Health and Wellbeing Strategy and Action Plan, a digital hub, the creation of a Health and Wellbeing Champions Network, a six month Health and Wellbeing Programme, an interim Absence Reporting Solution (pending EA One), and the equipping of managers in year one to support the delivery of the strategy in future years. The strategy would assist EA in setting objectives, prioritising interventions and activity, and would inform how EA measured effectiveness. He advised that both the strategy and action plan set out the organisation enablers and health interventions to inform the strategic framework. These included leadership and management, data and communications, and a healthy working environment.

A Member acknowledged the significant amount of work that had been undertaken to develop a cohesive strategy. She welcomed the strategy and the focus given to needs of individuals. She paid particular tribute to the initiative involving mental health first aiders and drew attention to the value of drawing up a communication piece for the media on this initiative. Mr McGreevy said that the strategy sought to create an environment where health and wellbeing was embedded in the culture of the organisation. He advised that EA was training 80 members of staff in-house to be mental health first aiders.

Discussion ensued on the demographic profile of the workforce, including the recruitment initiatives and health and wellbeing initiatives that were being taken forward.

A Member queried how the strategy would be rolled out to all employees and how success would be measured. Mr McGreevy said that initiatives would be piloted and evaluated and, if successful, rolled out to a wider audience and subsequently evaluated. Consideration

would be given to increasing capacity to develop managers. In addition, partnerships would also be put in place with other organisations to optimise benefits for staff. He said that current delivery provided baseline data.

The Chair said that some staff might be reluctant to talk about mental health concerns to colleagues and therefore the development of external partnerships was beneficial.

A Member commended the strategy. He considered that the strategy should also give more recognition to the need to improve staff attendance. He referred to the counselling service for teachers and to principals' responsibilities with regards to the health and wellbeing of school staff. It was therefore important that appropriate support was given to principals in this area and, particularly, to newly appointed principals as part of induction training. Mr McGreevy said officers reviewed feedback from all principals and continued to work to improve approaches to support schools through initiatives, for example through the development of the Great Managers Programme and Coaching for Principals Programme.

A Member expressed concerns with regard to the Occupational Health Service. Mrs Duffield said that a contract was currently in place with a health provider. However, a full review of the service was underway. She said a strategy was in place for Managing Attendance and this strategy enabled EA to measure specific interventions and outcomes. She also drew attention to the Organisational Development and Learning Strategy and plans to take forward measurement of employee engagement and satisfaction at work.

The Committee commended the strategy and action plan. It was noted that the strategy would be launched in January 2020.

10.3 EA CONSULTATION FRAMEWORK

Mr McDermott said the consultation framework* (FGP/11/19/7.3) had been developed following feedback from stakeholders through the process to develop EA's Audit of Inequalities and Action Plan and following repeated requests for advice and guidance from officers. It was also a commitment that was set out in EA's Equality Action Plan for 2018-2022. The framework sought to support officers when making a decision on the level of engagement, method of engagement, and correct audience that was required for a particular piece of work. When a decision had been made by an officer to formally consult, the framework would support officers to deliver the highest level of open and transparent consultation across EA. The framework would provide consistency in the approach adopted by officers with regard to consultation across EA, and provide practical support through the use of tools and templates.

In a presentation*, Mr McDermott outlined the engagement undertaken to develop the framework, the five steps to consultation, the consideration given to involving stakeholders, key documents available to support officers through the process, and EA's commitment to the Consultation Charter (Consultation Institute) 2010. The framework would now be rolled out to Assistant Directors and Heads of Service and further rolled out to staff in 2020-21 with a series of training opportunities.

A Member queried the mechanism by which officers could be assured that they were consulting with all relevant individuals and groups in respect of any given piece of work. Mr McDermott said that guidance was given in the framework on how to target the correct audience. The consultation would be placed on EA's website. Officers would avail of the consultation database containing relevant lists of individuals and organisations. Matters would be raised at meetings of the Joint Consultative Forum and at local area networks involving school leaders. Officers who were undertaking the consultation would also know

the relevant consultees in their area of work. The Member queried whether Board Members, through the Committee structure, would have opportunity to input to a consultation. Mrs Duffield advised that, as part of EA's governance procedures, any proposal for change would be presented to the relevant Committee and Members would be able to discuss the proposal and give views on groups they believed should be considered as part of the consultation.

The Chair said that responsibility also resided with groups and individuals to engage in EA's consultations.

A Member endorsed the comment that Board Members should contribute to any EA consultation process. He suggested that Members should also be made aware by email of any consultation commencing in order that they might provide input. He referred to the role and composition of the Joint Consultative Forum and drew attention to the limitations of this consultative group as it did not include representation from various parts of society. Ms Long said that officers were aware of this issue. Any group that wished to be added to the contact list could be added. She said that while the invitation list to attend meetings of the Joint Consultative Forum extended widely, officers were reliant on individuals or groups to attend meetings to contribute. It was important that, as a large public sector organisation, EA had such a consultation forum.

The Member said that the framework should also give cognisance to stakeholders who were indirectly affected by a new or revised policy as well as stakeholders who were directly affected. EA should seek to act fairly in all matters. He also raised queries in a number of areas. In response, he was advised that the membership of EA's Equality Forum was an internal cross-Directorate group. The Equality Commission had broadly defined the term 'policy' for the purposes of equality screening and this was reflected in EA's Equality Scheme. He also received information on the review process for EA's Audit of Inequalities and Action Plan and how a lobby group would seek to contribute to the Action Plan.

A Member said it was incumbent on EA to ensure that all individuals and groups felt included and respected as part of any consultation process.

The Committee noted the consultation framework and officers undertook to consider the points that had been raised, as detailed above.

11. FINANCE

11.1 2019/20 FINANCIAL REPORT : SIX MONTHS TO 30 SEPTEMBER 2019

Rev Herron and Ms Toman left the meeting temporarily at 3.24 pm.

Mr Wade presented the financial forecasts, based on information available, as set out in the paper* (FGP/11/19/8.1) including the MEMR* (Appendix 1). The total DE Schools' Delegated Budget for 2019/20 was £1,229.307m (which included £291.342m for Voluntary Grammar and Grant Maintained Integrated Schools) with a Block Grant allocation of £643.193m. As at September, EA had been allocated £42.751m of the total DE Earmarked budget of £68.193m. This included additional Earmarked allocations of £2.281 received in September. A breakdown of recurrent budget allocations received to the end of September was set out in Appendix 2*.

Rev Herron and Ms Toman re-entered the meeting at 3.26 pm.

Mr Wade said that, based on current information and available assumptions, EA was reporting an overall estimated funding gap of £93.835m (excluding Earmarked and Youth) comprising an estimated schools funding gap of £3.247m and an estimated block grant

funding gap of £90.588m, after estimated savings of £21.255m. This represented a reduction of £41.702m from the position reported in the previous month due to the removal of the cost of the proposed teachers' 4.25% pay award pressure (£40.787m) at DE's request and a reclassification of core costs to Earmarked (£0.915m) for Brexit related costs. A breakdown of budget allocations and estimated outturn across budget categories, based on available information and current assumptions, was provided in the paper. EA was projecting price inflation pressures of approximately £13m as well as demand pressures in areas such as special educational needs provision, transport, school meals, and the school development service.

In response to a Member's query, Mr Wade said that, following discussion with DE officials, the MEMR reflected only a 1% pay award for teaching staff. This decision had been taken on the basis that agreement in respect of the pay deal would be funded and would not impact on EA's funding gap.

Mr Wade said that £6.074m of the £21.255m anticipated savings for 2019/20 had been delivered to date across all MEMR block grant lines.

Mr Wade said that EA had received financial plans from 993 out of 994 schools, of which 918 financial plans (92%) were in final format. This return was a much improved position on the previous year's position at this stage in the year. He said that approval letters would issue to the 918 schools.

It was noted that capital spend as at 30 September 2019 was £25.773m (29.6%) out of the overall capital allocation (schools and youth) of £87.020m. Mr Wade said that the September MEMR submission was profiling an underspend of £5.125m against the budget relating to Major Works projects. All capital allocations and spend profiles continued to be carefully monitored and EA was continuing to take necessary action to live within its overall budget allocation

Ms Long said that officers had met DE officials the previous day to discuss the monthly MEMR. Focus had been given to EA's overall estimated funding gap and the actions being taken to deliver savings. She said it was clear that the expected savings to be delivered in 2019/20 would not impact significantly on EA's funding gap. At the meeting, DE had requested officers to draw up a paper setting out potential savings options. This would set out impact on expenditure and whether legislative or policy change would be required. She advised the paper would include all the potential savings options which had been previously considered by the Board.

A Member referred to the current consultation on improving the business rates system. In light of this review, he queried whether EA's paper to DE could set out options in respect of a changed approach to the valuation of school properties for rates. Ms Long undertook to include this issue in the paper.

A Member queried the trend in school expenditure over the next three year period. Mr Wade said that this data was not yet quantified from the approved school financial plans; however, it appeared that school expenditure was increasing significantly in years two and three. Ms Long said that this information would be quantified for the Committee.

The Committee noted the updated financial position to reflect the pressure associated with the proposed teachers' pay award and Brexit related costs. It noted that the degree of financial risk to EA's financial position remained significant.

Actions: *Information on the trend in school expenditure over the next three year period to be provided to the Committee; and DE paper on potential savings options to include the matter of the valuation of school properties for rates.*

11.2 SURPLUSES AND DEFICITS WORKING GROUP - MINUTES OF MEETING HELD ON 16 SEPTEMBER 2019

The Vice-Chair of the Working Group presented the minutes* (FGP/11/19/8.2) of the meeting held on 16 September 2019. He advised that the Working Group, at its meeting on 21 October 2019, had considered opportunities and supports available to schools to take timely action to address budgetary challenges. Six early intervention proposals had been approved to proceed to implementation plan. He advised that two primary school principals had attended the meeting and had provided a valuable contribution and perspective in presenting their schools' financial positions. The Working Group had noted the factors contributing to the schools' financial positions, the decisions taken by Boards of Governors to mitigate risks, and the actions taken to address the learning needs of the children within the funding available to the schools. He advised that, due to time pressures, the Working Group had deferred consideration of the powers available to EA to intervene in schools' financial positions to its November meeting. It would also consider measures by which all schools' financial plans could be effectively monitored, and this would include the levers and sanctions required to enhance financial accountability at individual school level. He reported that CCMS officials would be in attendance at the next meeting to provide input on their accountability and governance arrangements with maintained schools.

The Committee noted the minutes of the meeting held on 16 September 2019.

11.3 FINANCIAL RECOVERY PROGRAMME

Ms Long said that discussions had been held with appropriate DE officials on a change in EA's approach to financial planning. DE had agreed in principle to a 3-5 year financial recovery programme which would fundamentally shape the scale and scope of service delivery to schools and children and young people. She said that discussions continued with DE on governance arrangements to ensure that appropriate oversight was given to this programme of work. DE had agreed in principle for an Assistant Director to lead on the programme and for a backfill arrangement to be put in place. She said that, in light of implications arising from the outworkings of the financial recovery programme, arrangements were being put in place to secure a source of independent strategic advice and guidance from both the public and private sectors.

In response to a Member's query, Ms Long outlined the arrangements to select an Assistant Director to take forward the programme. The Member paid tribute to progress made to date with DE to take forward the programme. Given the scale of challenge facing EA, she welcomed the approach being taken to source support from suitably experienced external individuals.

The Committee noted the Financial Recovery Programme* (FGP/11/19/8.3).

12. OPERATIONS AND ESTATES

12.1 TENDERS

The Committee considered tender reports* (FGP/11/19/9.1.1 and 9.1.2).

On the proposal of Rev Herron, seconded by Mr Craig, the Committee agreed to approve the following tenders:

- Construction Works - Controlled Sector Major Capital Delivery - Above Threshold: EANI-1538; and EANI-1739.
- Construction Works - Controlled Sector Minor Capital Delivery - Above Delegated Limits: Cft EANI-1592; Cft EANI-1658.

- Goods and Services - Above Threshold: CAT-18-009; FES-18-005; FMM-19-001; FMM-19-002; FMM-19-004; and FMM-19-007.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Delivery (within approved delegated limits): CfT EANI-1548; CfT EANI-1707; CfT EANI-1727; CfT EANI-1735; CfT EANI-1743; CfT EANI-1757; CfT EANI-1758; CfT EANI-1759; CfT EANI-1769; CfT EANI-1777; CfT EANI-1786; CfT EANI-1798; CfT EANI-1799; CfT EANI-1801; CfT EANI-1809; CfT EANI-1825; and CfT EANI-1826.
- Goods and Services - Awarded from Collaborative Contracts: ID 2298214; and ID 1826352.

12.2 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/11/19/9.2) containing information on contracts which had been signed and sealed.

A Member queried when the modular building for a nursery group at a primary school would be on site. Mr Hanna undertook to report back on this issue.

Action: *Information to be provided on when the modular building for a nursery group at a primary school would be on site.*

12.3 LAND AND PROPERTY TRANSACTIONS

Wayleave Agreement: Birches Primary School, Portadown

Granting / Renewal / Surrender / Variation of Lease Agreements: School Meals Kitchens at Altishane Primary School, Donemana, Strabane/St Joseph's Primary School, Donemana, Strabane/Loughash Primary School, Strabane; Drumahoe Primary School, Londonderry; and Drumahoe Primary School, Londonderry.

Licence Agreement: Queen Elizabeth II Primary School, Pomeroy.

Mr Hanna drew attention to the recommendations set out in the report* (FGP/11/19/9.3).

On the proposal of Mr Mulvenna, seconded by Mr McCausland, the Committee agreed to recommend that the above transactions, as detailed in the report, should be approved.

Mr Hanna drew attention to a Trust Fund Resolution concerning Larne and Inver Primary School and Moyle Primary School, Larne. On the proposal of Mrs Carville, seconded by Mr Mulvenna, the Committee agreed to recommend that this transaction should be approved, subject to Mr Wade being assured of the details in this matter.

Action: *Trust Fund Resolution concerning Larne and Inver Primary School and Moyle Primary School approved, subject to Mr Wade being assured of the details in this matter.*

13. DATE OF NEXT MEETING

The next meeting would be held on 7 January 2020.

The meeting ended at 4.20 pm.

Chair

Date

* Paper circulated ** Paper tabled