

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 7 JANUARY 2020 AT 2.00 PM IN ANTRIM

1. PRESENT Dr I McMorris (Chair)

Mr J Craig	Mr N McCausland
Mr G Doran	Mr K Mulvenna
Rev R Herron	Ms S O'Connor
Sir Gerry Loughran	Ms N Toman

2. IN ATTENDANCE

Ms S Long, Mrs C Duffield, Mr D Hanna, Mr S Wade, Mr N Craig, Mrs D Rogers, Ms L McCall and for part of the meeting Mrs S McCartan, Mrs D Allen, Mr A Kennedy, and Mr S McDowell.

3. APOLOGIES

Apologies had been received from Mrs M Culbert and Mrs P Carville.

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 5 NOVEMBER 2019

A Member raised an issue concerning a matter concerning EA's Consultation Framework (minute 10.3).

During consideration of this issue, Mr Craig left the meeting at 2.08 pm and returned at 2.12 pm.

Subject to the final sentence of minute 10.3 being amended to read: "The Committee noted the consultation framework and officers undertook to consider the points that had been raised, as detailed above.", the Committee agreed the minutes* (FGP/1/20/3) of the meeting held on 5 November 2019 on the proposal of Mr McCausland and seconded by Mr Mulvenna.

It was noted that the wider review of corporate governance currently being undertaken by the Corporate Leadership Team included the consideration of papers which were presented to Board and Committee for approval and for noting.

6. MATTERS ARISING FROM THE MINUTES

6.1 EA'S CONSULTATION FRAMEWORK (10.3)

This matter had been further discussed at the Board meeting on 18 December 2019. It was noted that arrangements were being made for the Member who had raised queries in this area to meet an EA officer to discuss an approach adopted by a local government body in the development of its own consultation framework.

6.2 2019/20 FINANCIAL REPORT : SIX MONTHS TO 30 SEPTEMBER 2019 (11.1)

Mr Wade said that information on the trend in school expenditure over the next three year period would be provided to the Committee at its February meeting.

6.3 LAND AND PROPERTY TRANSACTIONS (12.3)

Mr Wade said that he would provide confirmation of the details relating to the Trust Fund Resolution concerning Larne and Inver Primary School and Moyle Primary School at the February meeting.

7. CHAIR'S BUSINESS

7.1 ONLINE RECRUITMENT FOR SCHOOLS

Mrs Duffield said that online recruitment would commence in schools from 9 January 2020. The new process entailed the roll out of training for principals and school administrators and a new recruitment toolkit for use by schools. She said that progress reports would be provided to future meetings of the Committee as well as the Membership and Teaching Appointments Committee.

A Member welcomed the introduction of online recruitment for schools and acknowledged its considerable benefits for schools, particularly the value added experiences to hiring managers and the increased efficiencies which resulted in a much improved turnaround period for appointments.

7.2 POST PRIMARY ADMISSIONS 2020

Mrs Allen said that the number of children transferring from primary to post primary school across NI had increased to almost 24,000 children, representing an increase of more than 10% over the past two years. This had resulted in additional pressures in certain areas and EA officers continued to work with DE to support the admissions process. She advised that DE had already written to post primary schools to set out its approach to the 2020 admissions process and to invite applications for additional school places. This position had also been conveyed by DE to the media in December 2019. She said that a meeting was taking place later in the week, at the close of the process, to consider applications for additional places from schools. She drew attention to a number of towns which DE had identified would be oversubscribed.

Members welcomed the proactive approach being taken by DE for the 2020 admissions process. They requested information on the analysis being used for demographics and growth patterns as well as the criteria which would be used by DE when considering school applications for additional places. It was agreed that this information would be provided to the Committee. Members also sought confirmation that DE would take into account the negative impact of providing additional places in certain schools on other schools in the locality. Mrs Allen confirmed that Members' concerns in this area would be relayed to DE. In response to a Member's query, Mr Hanna advised that DE worked with EA's Capital Investment and Infrastructure team to provide temporary modular accommodation at schools, where necessary, in response to increased enrolment.

A Member referred to the importance of working with the Controlled Schools' Support Council to support this process.

A Member said that political parties should be made aware of the increase in pupil numbers in the post primary sector over the current period and its consequential impact on school budgets as a result of a reduced AWPU. Ms Long confirmed that this issue was part of the wider discussion with political parties.

Ms Long said that a progress report on admissions would be provided to the Committee, or the Education Committee, at the conclusion of the process.

***Action:** Information to be provided to the Committee on the analysis being used for demographics and growth patterns as well as the criteria being used by DE when considering school applications for additional places. Progress report to be provided to Members at the conclusion of the admissions process.*

8. OPERATIONS AND ESTATES

8.1 EA BUSINESS PLAN 2019-20 - QUARTER TWO

Mr Hanna presented the report* (FGP/1/20/6.1) showing performance against quarter two of EA's Business Plan. The plan showed that 2 objectives had been achieved, 37 were on track for achievement, 5 were likely to be achieved with some delay, and one would not be achieved. The Chair of the Board recorded her appreciation for the high level of achievements identified in the report.

The Committee noted the report.

8.2 EA PERFORMANCE IMPROVEMENT

8.2.1 REPORT 2019-20 (APRIL TO SEPTEMBER 2019)

Mrs Allen said that the purpose of the report was to provide an assessment of organisational performance against a range of metrics and measures. She said that while a series of performance targets had still not been formally set, the report provided information on a number of metrics measured against standards, where these were available.

The Committee noted the report* (FGP/1/20/6.2).

8.2.2 DRAFT FRAMEWORK 2020/21

Mrs Allen said the draft framework* (FGP/1/20/6.3) set out arrangements for managing performance, service improvement, and accountability from 2020/21. Mr McDowell said the framework had been drafted on the basis of feedback from Board Members at a workshop held in June 2019 and following engagement with EA managers. It was intended that the development of the metrics and measures would align with work already carried out by DE with stakeholders across the education sector to identify a system evaluation approach with associated metrics.

All Members received confirmation that the metrics, which were still to be defined, would be developed within a broader suite of outcome measures which would be linked to those Programme for Government commitments which were directly associated with improving education services, quality and experience.

Ms Long sought confirmation that the draft framework was being developed in line with Members' expectations. She said that officers would welcome any additional comments on the framework by email.

The Chair said that consideration should be given to the prioritisation of metrics and to layers of cascading principles.

The framework, in draft format, was noted.

8.4 SCHOOL TRANSPORT TRAINING ACADEMY

Mr Hanna presented a paper* (FGP/1/20/6.4) setting out arrangements for a School Transport Training Academy to be delivered in partnership with Belfast City Council. The scheme would provide access to training for up to 20 individuals initially, it would be fully

funded by Belfast City Council which would commission and oversee the training, and it would be open to residents of the Belfast City Council area who were out of work or working less than 16 hours per week. Mr Hanna said the project would help to address ongoing challenges with recruitment in the Transport Service. On completion of training, individuals would be offered the opportunity to be interviewed for a post of driver with EA.

In response to a Member's query, Mr Hanna said that while only Belfast City Council provided such a training academy, officers would explore training opportunities with other District Councils.

A Member sought and received further information on the role of Belfast City Council and EA in the scheme. The Member referred to funding made available to support training through the Apprenticeship Levy. Mr Wade undertook to liaise with DE officials to clarify the position regarding potential benefits from the Apprenticeship Levy.

The Chair commended the scheme and said that, in due course, appropriate publicity should be given to it in the media.

The Committee noted the paper.

Action: *Mr Wade to report back to the Committee on the position concerning benefits from the Apprenticeship Levy. Officers to explore transport training opportunities with other District Councils.*

8.5 REDUCING PLASTIC WASTE IN SCHOOLS COMPETITION

Mr Kennedy said that following the success of the first EA Plastics in Schools' competition in 2019, a second competition was being organised for the current academic year in partnership with QUB, DAERA, DE, and Keep Northern Ireland Beautiful (Eco-Schools) in order to raise awareness of the environmental issues of single use plastics and to promote the Reduction, Re-use and Recycling of plastics across the school estate. He said that sponsorship for the prize funding for the competition was being provided by DAERA and QUB.

Mr Kennedy drew attention to the total expenditure on waste across schools in 2018/19. The three main waste streams were landfill, dry recyclables, and food, with the most significant cost burden being landfill costs. He said that costs varied considerably for waste collection across schools, evidenced by the significant variance in the pupil unit cost for similar sized schools. In response to Members' queries, he said that the waste collection charges across the 11 District Councils and the Government approved waste collection provider also varied considerably.

Mr Kennedy said that in order to raise awareness amongst schools, QUB and EA were working together to develop a self audit tool for schools to use to improve the quality of management information. A pilot exercise involving the self audit tool would be rolled out to 30 schools initially and subsequently to all schools. As some schools were spending in excess of £10k per annum on waste, it was anticipated that significant savings could be made to school budgets. He advised that officers were meeting Council representatives later in the month to discuss this matter further and he undertook to report back to the Committee in due course on developments in this area.

A Member commended the work taking place in schools to increase awareness of environmental issues and the partnership working with QUB to help address waste challenges.

In response to a Member's query, Mr Kennedy undertook to provide further information on the pilot scheme for schools directly to the Member.

The Committee noted the paper* (FGP/1/20/6.5).

8.6 TENDERS

Ms Toman declared a non-pecuniary interest in this item.

The Committee considered tender reports* (FGP/1/20/6.6.1 and 6.6.2).

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 - Managed Service - Above Threshold: CPD Project No: 613926KC.
- Construction Works - Controlled Sector Minor Capital Delivery - Above Delegated Limits.

On the proposal of Ms O'Connor, seconded by Mr Doran, the Committee agreed to approve the following tenders:

- Goods and Services - Above Threshold: FMM-19-011; ICT-19-005; and ICT-19-029.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Delivery (within approved delegated limits): CfT EANI 1573; CfT EANI 1744; CfT EANI 1797; CfT EANI 1802; CfT EANI 1808; CfT EANI 1831; CfT EANI 1835; CfT EANI 1856; CfT EANI 1857; CfT EANI 1880; CfT EANI 1893.
- Goods and Services - Under Threshold: BSF-19-039.
- Goods and Services - Awarded from External Framework: RM1557.10; RM3749.
- Goods and Services - Awarded from Collaborative Contracts: ID 2162217.
- Goods and Services - Select Tenders: ICT-19-030.

8.7 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/1/20/6.7) containing information on contracts which had been signed and sealed.

8.8 LAND AND PROPERTY TRANSACTIONS

- Electricity, Safety, Quality and Continuity (ESQC) Programme of Wayleaves, Leases and Easements: numerous properties.
- Easement and Wayleave Agreements: Ballynahinch High School; Kilkeel Primary School; Enniskillen Model Primary School; Ballycastle Integrated Primary School; EA Grounds Maintenance Depot, Coleraine; Newcastle Primary School.
- Granting / Renewal / Surrender / Variation of Lease Agreements: Devenish College, Enniskillen; and Education Library Service, Omagh Library Complex.
- Licence Agreement: Islandmagee Primary School.
- Disposal / Transfer: former Tullycarnet Primary School, Belfast.

Mr Hanna drew attention to the recommendations set out in the report* (FGP/1/20/6.8).

On the proposal of Mr Mulvenna, seconded by Ms O'Connor, the Committee agreed to recommend that the above transactions, as detailed in the report, should be approved and, in addition, that authority should be delegated to the Assistant Director (Infrastructure and Capital Development) to sign leases, grant of easements, and wayleave agreements as required under the ESQC NIE Networks programme of works for controlled properties, subject to technical advice.

9. FINANCE

9.1 SURPLUSES AND DEFICITS WORKING GROUP - MINUTES OF MEETINGS HELD ON 21 OCTOBER AND 18 NOVEMBER 2019

The Vice-Chair of the Working Group said that the Working Group, at its meeting on 18 November 2019, had considered EA's powers to intervene in circumstances where there were significant concerns around the financial management of school budgets. The Working Group had also considered available sanctions within the existing accountability frameworks, the monitoring arrangements for schools' financial plans, and measures that could be introduced to facilitate the early identification of variances against planned expenditure. He said that CCMS officials had attended the meeting to discuss accountability and governance arrangements for maintained schools and they had highlighted CCMS's commitment to work closely with EA to address the challenges posed by school deficits and surpluses.

The Vice-Chair said that the Working Group, at its subsequent meeting on 16 December, had considered the effectiveness of the Emergency Grant Scheme for VG/GMI schools. The Working Group had expressed concern at the number of schools which were requiring access to the emergency fund in 2019/20 and the consequent increasing drawdown on the fund which had already substantially increased in value in the current financial year. He pointed out that some VG/GMI schools requesting support were large post primary schools with very stable enrolments. The Vice-Chair said that, at the meeting, officers had provided information on a piloted intervention tool which aimed to enhance financial management through integrated curriculum financial planning. He advised that, in addition, a principal of a post primary school had attended the meeting to discuss the factors which were impacting on the financial health of that school.

The Chair expressed concern that schools were unable to access the Voluntary Exit Scheme at an early stage when projecting a deficit. Currently they had to wait until their financial positions were in deficit. Mr Wade said that this issue had been discussed at a meeting of the Working Group and the DE representative had undertaken to review the matter and report back formally. He said it was anticipated that DE would seek to provide flexibility around this requirement to support schools.

The Chair extended his appreciation to the Members of the Surpluses and Deficits Working Group for their excellent work.

The Committee noted the minutes* (FGP/1/20/7.1) of the meeting held on 21 October and 18 November 2019.

9.2 NI PUBLIC SECTOR SHARED NETWORK PROJECT (PSSN) - PROGRESS REPORT

Mr Wade presented a paper* (FGP/1/20/7.2) providing a progress report on the transfer of all wide area network connections for EA premises to the new NI-PSSN management platform, the arrangements for business connectivity to conclude phase 1 of the project (Headquarters' premises), and the arrangements for wide area connectivity for phase 2 of the contract (schools). He drew attention to the amended timeframe for completion of phase 1 of the project, which was February 2020, and the work being taken forward to further discuss contractual arrangements and costs. He also said that delays to date suggested that the delivery of circuits into schools by March 2021 was unlikely and therefore negotiations were taking place to confirm the contractual position and costs.

The Chair queried if a risk analysis had been carried out. Mr Wade referred to the arrangements being taken forward by DoF on behalf of stakeholders.

In response to a Member's query, Mr Wade advised that it was envisaged that the PSSN contract would enable wider area connectivity at a cheaper cost to schools. Ms Long said that information was available on speed of connectivity and costings and this would be provided to Members for information.

The Chair asked for all information on the PSSN contract to be accessible to Members in one area on the Members' website.

Actions: *Information on wide area network connections for EA premises and schools and costings to be provided to Members. Information on the PSSN contract to be made accessible to Members separately on sharepoint.*

9.3 2019/20 FINANCIAL REPORT - EIGHT MONTHS TO 30 NOVEMBER 2019

Mr Wade presented the financial forecasts, based on information available, as set out in the paper* (FGP/1/20/7.3) including the MEMR* (Appendix 1). The total DE Schools' Delegated Budget for 2019/20 was £1,227.851m with a Block Grant allocation of £664.175m. He advised that, as part of September monitoring, EA had received an additional allocation of £20.814m. Taking into account estimated savings of £20.769m, EA was reporting an overall estimated funding gap of £62.801m (excluding Earmarked and Youth). This comprising an estimated schools funding gap of £3.753m and an estimated block grant funding gap of £59.048m. Mr Wade advised that the overall funding gap, as reported in the September MEMR, had been reduced by £31.034m. He drew attention to the budget allocations and estimated outturn across budget categories, based on available information and current assumptions. The projections included a range of inescapable unfunded pressures, the most significant of these were pay inflation pressures (approximately £28.1m of which £14.8m related to schools), price inflation pressures (approximately £2.2m), as well as demand pressures in areas such as special educational needs provision, transport, school meals, and the school development service (approximately £28.6m) and stock movements (£3.9m).

Mr Wade pointed out that the overall funding gap excluded the cost of implementing the teachers' pay award which was estimated to be £40m. This was the subject of a separate funding bid to DoF.

Mr Wade said that, as at 30 November 2019, EA had been allocated £70.621m Earmarked allocations (Appendix 2*).

It was noted that the overall capital allocation (schools and youth) was £85.2m and that capital spend as at 30 November 2019 was identifying an underspend of £0.586m against budget. This mainly related to major works projects.

Mr Wade provided an overview of the pressure bids submitted to DE as part of January monitoring.

Mr Wade said that a recent review had identified a reduction of £0.486m in the previously planned anticipated savings of £21.255m. He advised that £8.521m savings had been delivered to date across all MEMR block grant lines (representing 41% of total proposed savings and 62% if stock was excluded).

A Member sought further information on schools' increasing deficits and surplus drawdown requirements. Members also requested that the information presented in the financial

report should provide a specific breakdown of the pressures applying to schools and the pressures applying to the block grant within the overall funding gap. This was agreed.

Mr Wade provided a report on school stock take assumptions, which projected an overall easement of approximately £9.124m. He said that, following the receipt of £3.126m for surplus drawdown as part of September monitoring and adjusting for contingency and estimated stock savings, the current surplus drawdown requirement was estimated to be £3.753m. Discussion took place around the pay inflation pressure of £28m and the proportion that related to schools. Mr Wade undertook to amend the report in future to make the position clearer.

The Committee noted the overall estimated funding gap of £62.801m which reflected the updated financial position following September monitoring and the recent exercise to update forecasts based on latest information and updated assumptions. The Committee noted that the degree of financial risk to EA's financial position remained significant.

Mr Doran left the meeting temporarily at 3.55 pm.

Action: *Information presented in the financial report to provide a specific breakdown of the pressures applying to schools and the pressures applying to the block grant within the overall funding gap. Financial report to also provide information on the proportion of the pay inflation pressure relating to schools.*

9.4 CASH HANDLING IN SCHOOLS AND ITS IMPACT ON TENDERING FOR BANKING SERVICES

Mr Doran re-entered the meeting at 3.58 pm.

Ms Toman declared a non-pecuniary interest in this item.

Mr Craig presented a paper* (FGP/1/20/7.4) giving an overview of the current contractual relationship with EA's current banking provider, the challenges associated with cash handling in schools, and the challenges associated with EA's banking provider to process the lodgement of these monies across many locations throughout the region. He advised that while the Education Technology Service project had incorporated functionality for online collection of cash for schools, this functionality was only anticipated to be introduced in 2022 for schools. Work had therefore been carried out to consider interim options. A draft business case had been prepared and the preferred option, while requiring significant investment, was on the basis of a potential four year contract across 1,040 schools. He said that officers would seek to finalise options and seek approval for an interim online payment solution for schools for implementation in 2020/21.

A Member commented on the significant costs associated with annual banking charges as a consequence of the processing of cash lodgements in various locations across the region. Mr Craig said that the agreed arrangement with the current banking provider was effective until 31 March 2021 and allowed for an extension of the contract, by mutual agreement, for a further period of 12 months to 31 March 2022.

The Committee noted the paper.

10. HUMAN RESOURCES

ORGANISATIONAL DEVELOPMENT AND LEARNING STRATEGY 2019-2022

Mrs Rogers drew attention to the development of the draft internal strategy document and the work plan which had been considered previously at a Board Member workshop and subsequently

by the Committee at its meeting in April 2019. She presented the Organisational Development and Learning Strategy for 2019-2022* (FGP/1/20/8.1) which set out a framework for all organisational development, learning initiatives and interventions across the organisation. In a presentation**, Mrs Rogers drew attention to work plan priorities and anticipated outcomes of the Strategy. A paper** was provided on the Great People Manager Programme. She said the intention was to expand the reach and delivery of the Strategy to develop all staff on an incremental basis, subject to expenditure approval as necessary.

Members commended the Strategy.

On the proposal of Ms O'Connor, seconded by Mr Mulvenna, the Committee approved the Organisational Development and Learning Strategy 2019-22.

11. ANY OTHER BUSINESS

11.1 ENGAGEMENT WITH POLITICAL PARTIES

Ms Long said that, following the December Board meeting, she had written to the political parties to set out the financial challenges facing EA and schools. She reported that on 8 January 2020 a joint letter had issued to the political parties from the Chief Executives of the various education partners to highlight the consequences of continued under-funding within the education system. A copy of this letter would be circulated to Members.

***Action:** Copy of letter to political parties dated 8 January 2020 to be circulated to Members.*

11.2 FUTURE COMMITTEE MEETINGS

Ms Long said it was advisable, given the volume of work considered at the current meeting, to convene meetings of the Finance and General Purposes Committee in December. This was agreed.

***Action:** Meeting schedule to incorporate the FGP Committee in December.*

12. DATE OF NEXT MEETING

The next meeting would be held on 4 February 2020.

The meeting ended at 4.30 pm.

Chair

Date

* Paper circulated

** Paper tabled