

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 4 FEBRUARY 2020 AT 2.00 PM IN ANTRIM

1. PRESENT Dr I McMorris (Chair)

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

2. IN ATTENDANCE

Ms S Long, Mrs C Duffield, Mrs S McCartan, Mrs E Bremner, and Ms L McCall.

Mrs C Jamison attended in her role as Board Room Apprentice.

3. DECLARATIONS OF INTEREST

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

4. MINUTES OF MEETING HELD ON 7 JANUARY 2020

The Committee agreed the minutes* (FGP/2/20/3) of the meeting held on 7 January 2020 on the proposal of Mr Doran and seconded by Mr Mulvenna.

5. MATTERS ARISING FROM THE MINUTES

5.1 EA'S CONSULTATION FRAMEWORK (6.1)

It was noted that the Head of Equality and Diversity had met the Member in January to discuss the matters previously raised concerning EA's Consultation Framework and the Joint Consultative Forum.

5.2 POST PRIMARY ADMISSIONS 2020 (7.2)

Information on the analysis being used for demographics and growth patterns as well as the criteria used by DE when considering school applications for additional places would be provided to the Committee at its March meeting.

5.3 SCHOOL TRANSPORT TRAINING ACADEMY AND APPRENTICESHIP LEVY (8.4)

Mrs Bremner said that a regional recruitment programme for drivers and escorts was due to commence. Once the outcome of this recruitment exercise was known, along with confirmation of the number of individuals engaging in the Transport Training Academy in the Belfast City Council area, officers would confirm the level of vacancies across the region and then seek to target recruitment opportunities in other District Council areas.

Mrs McCartan said that the Apprenticeship Levy was a cost to schools and EA in the region of £5.2m. The Department for Economy (DfE) was currently considering how employers in NI could avail of funding from the Apprenticeship Levy. She advised that EA was currently engaging with DfE to explore the potential benefits to the education system.

6. CHAIR'S BUSINESS

MATTER REFERRED FROM THE AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) MEETING HELD ON 13 JANUARY 2020

The Chair said that ARAC, at its January meeting, had raised concerns at the ongoing delay in developing EA's Contingency Planning and Disaster Recovery Strategy. ARAC had requested that the Finance and General Purposes Committee should consider the matter to ensure that actions were being taken to develop the Contingency Planning and Disaster Recovery Strategy by the target date of June 2020. Ms Long advised that this matter had been raised by ARAC as part of its consideration given to outstanding Priority 1 recommendations.

Mrs Bremner said that the draft Strategy and activation flow chart had been revised and agreed by the Corporate Leadership Team. The draft Strategy and activation flow chart would be tested and this activity was planned for 15 May 2020. It was intended that the draft Strategy and activation flow chart would be presented to Members for consideration through the appropriate governance structure after that date.

The Chair queried the arrangements for contingency planning in the interim. Ms Long said that matters were dealt with as part of planning for business as usual.

7. FINANCE

7.1 2019/20 FINANCIAL REPORT - NINE MONTHS TO 31 DECEMBER 2019

Mrs McCartan presented the financial forecasts, based on information available, as set out in the paper* (FGP/2/20/6.1) including the MEMR* (Appendix 1). The total DE Schools' Delegated Budget for 2019/20 was £1,227.851m with a Block Grant allocation of £664.248m. She said that EA had received an additional allocation of £73k to the Block Grant for the North Belfast Learning Communities Project. 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. This position remained unchanged since the last report provided to the Committee. She 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).

The Chair reminded Members that the overall funding gap excluded the cost of implementing the teachers' pay award which was estimated to be £40m.

The Committee noted Appendix 2* giving a breakdown of recurrent budget allocations received to the end of December. Mrs McCartan drew attention to additional Earmarked allocations of £994k received in December and said that EA assumed that further Earmarked allocations would be received in line with profiled expenditure. It was noted that Earmarked and Youth recurrent expenditure was expected to come in on budget.

Mrs McCartan said that EA had received notification of the outcome of January monitoring. EA had been allocated an additional £10m towards special educational needs and £19m towards schools' increasing deficits which had largely built up due to recurrent unfunding

of pay pressures. She reported that, once these allocations were received, EA's overall funding gap would reduce to an estimated £33.8m.

The Chair of the Board received clarity that the intention of the £19m allocation from January monitoring was to address specific pressures from schools' increasing deficits within the Block Grant.

Mrs McCartan drew attention to the table in the paper setting out a profile of cumulative school expenditure (including cumulative expenditure by phase) over the three year period ending 2021/22. The estimated cumulative position across all schools at 31 March 2022, based on the information provided in schools' financial plans, was a deficit of £168.9m. Mrs McCartan said that based on prior year experience, school plans in-year normally varied from EA's assessment of school spend by approximately £5m-£6m. This was evidenced in the figures for 2019/20. She pointed out that by 2021/22, the variance would increase to an estimated £64m.

Mrs McCartan referred to the Capital position and said that the December MEMR submission profiled an underspend of almost £0.5m against budget and this mainly related to major works projects. She said that officers continued to monitor capital allocations and expenditure profiles carefully to ensure that EA expenditure remained within its overall budget allocation.

Mrs McCartan said that, within the assessment of the overall estimate of savings for 2019/20, £7m related to schools counting stock for the first time. To date, 106 schools had engaged in the process for the first time. She said that, in order to support schools to engage in the process, the date of the stock take had been moved forward to 31 December. Officers were contacting individual schools to encourage uptake and a letter had issued to schools to remind them of the benefits to their schools' financial position. This message had also been reinforced by LMS officers in their meetings with schools through the financial planning process for 2020/21.

The Committee noted the profiled financial position, the overall estimated funding gap of £62.801m, and that EA continued to operate at significant financial risk.

A Member drew attention to the remit of the Public Accounts Committee.

7.2 FINANCIAL RECOVERY STRATEGY

Ms Long presented EA's Financial Recovery Strategy (draft version 3)* (FGP/2/20/6.2) setting out key elements of the recovery process, including stakeholder involvement, implementation timeframe, and programme governance. The Strategy provided additional information since the last paper had been presented to the Committee in November 2019.

Ms Long said that the first meeting of the independent panel had taken place the previous week. Engagement had been positive and next steps had been agreed.

The Committee noted the Financial Recovery Strategy (draft version 3).

7.3 SURPLUSES AND DEFICITS WORKING GROUP - MINUTES OF MEETING HELD ON 16 DECEMBER 2019

The Vice-Chair of the Working Group said that the Working Group, at its meeting on 20 January 2020, had considered UK initiatives which had been introduced to enhance financial accountability arrangements within schools. He said the Working Group had participated in a conference call with Department for Education officials in England and this had provided a very useful insight into the differences in education funding in England and

the level of support provided to assist budget management in schools. He reported that the Working Group had also received a presentation on area planning and had discussed issues around effective area planning, including the adequacy of funding to support area planning actions, and the link between school size and their financial sustainability.

The Vice-Chair said it was anticipated that the Working Group would consider its final report containing recommendations at its next meeting on 24 February 2020.

The Committee noted the minutes* (FGP/1/20/7.1) of the meeting held on 16 December 2019.

8. OPERATIONS AND ESTATES

8.1 NI ENVIRONMENTAL BENCHMARKING SURVEY - GOLD AWARD

Mrs Bremner presented a paper* (FGP/2/20/7.1) giving information on the NI Environmental Benchmarking Survey which was managed by Business in the Community. The survey benchmarked public and private sector organisations on their environmental management and performance against sector peers. She said that, since EA's engagement in the survey in 2018, EA had achieved silver status in 2018 and gold status in 2019.

The Committee commended those involved in achieving the gold award. It particularly noted the validation the award provided to EA's environmental management practices.

Mr Craig entered the meeting at 2.27 pm.

8.2 TENDERS

The Committee considered tender reports* (FGP/2/20/7.2.1 and 7.2.2) and the report** (FGP/2/20/7.2.2).

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

- Construction Works - Controlled Sector Major Capital Delivery - Above Threshold: DE-1502120.

On the proposal of Mrs Carville, seconded by Mr Mulvenna, the Committee agreed to approve the following tenders:

- Goods and Services - Above Threshold: FES-19-019; TRN-19-006; BSF-19-032.

The Chair of the Board sought further detail on the tender relating to insurance brokerage and associated services and to self-insurance arrangements. Mrs Bremner said the insurance policy was required to be effective from 1 April 2020 and she outlined the work involved in engaging with the winning tenderer. Mrs Duffield said that a full review of insurance brokerage arrangements had taken place and advice had been received from external experts. On the basis of the consideration given to this matter, it had been agreed that arrangements for insurance brokerage and associated services should be taken forward through the tender process.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Delivery (within approved delegated limits): CfT EANI 1696; CfT EANI 1810; CfT EANI 1811; CfT EANI 1823; CfT EANI 1824; CfT EANI 1828; CfT EANI 1845; CfT EANI 1863; CfT EANI 1889; CfT EANI 1890; CfT EANI 1902; CfT EANI 1934; CfT EANI 1936; CfT EANI 1938.
- Goods and Services - Awarded from External Framework: ICT-19-031; RM6160; 215.
- Goods and Services - Awarded from Collaborative Contracts: ID 2370658; ID 1821767.

A Member queried the requirement for road sweepers. Mrs Bremner said that this vehicle was used by Grounds Maintenance officers. She undertook to provide more information on the use of this specialist vehicle.

Mr McCausland entered the meeting at 2.29 pm.

Action: *Information on the use of road sweepers to be provided to Members.*

8.3 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/2/20/7.3) containing information on contracts which had been signed and sealed.

8.4 LAND AND PROPERTY TRANSACTIONS

- Easement: Wellington College, Belfast
- Lease Agreement - Deed of Release: Bunscoil Mhic Reachtain, Belfast

Mrs Bremner drew attention to the recommendations set out in the report* (FGP/2/20/7.4).

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

9. DATE OF NEXT MEETING

The next meeting would be held on 3 March 2020.

The meeting ended at 2.31 pm.

Chair

Date

* Paper circulated

** Paper tabled