

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 3 MARCH 2020 AT 2.00 PM IN ANTRIM

1. PRESENT Dr I McMorris (Chair)

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

2. IN ATTENDANCE

Mrs C Duffield, Mr D Hanna, Mr S Wade, Mrs S McCartan, Ms L McCall and for part of the meeting Mrs M Corkey, Mrs S Mooney, Mr M McDermott, Mr P Canavan, and Mrs E Killen.

3. APOLOGY

An apology had been received from Mr K Mulvenna.

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 4 FEBRUARY 2020

The Committee agreed the minutes* (FGP/3/20/3) of the meeting held on 4 February 2020 on the proposal of Rev Herron and seconded by Ms O'Connor.

6. MATTER ARISING FROM THE MINUTES

TENDERS - GOODS AND SERVICES (9.2)

Mr Hanna said that the three road sweepers for EA's three localities would be used to maintain school grounds. The equipment would significantly reduce the time taken to carry out work and consequently reduce costs charged to schools.

7. CHAIR'S BUSINESS

7.1 HR ONLINE

Mrs Duffield said that HR had developed an online hub to keep all HR related documentation in one place. This library, which contained policies, procedures, frameworks, guidance, and templates relating to all HR matters, would be used by both teaching and non-teaching staff. HR Online had gone live the previous week.

Mr Canavan provided an online demonstration of the new hub and drew attention to its benefits. The hub sought to maximise effectiveness and efficiencies by enabling quicker access by staff to the most up to date information. It would also reduce administration, thereby freeing up time for officers to provide more value added guidance and support to schools.

A Member drew attention to the benefit of tracking and measuring HR Online usage. He also asked how staff would ensure that information on the hub was kept up to date. Mr Canavan said that the hub was governed by functional areas within HR and it was their

duty to ensure that this central library was kept up to date for all staff. He advised that policies and procedures etc for teachers were developed through negotiation. Links were therefore provided on HR online to the relevant sections on DE's website to ensure that the most update to date information was made available for teachers. The Chair received confirmation that HR would also be monitoring stakeholders' user satisfaction.

In response to a Member's query, Mr Canavan said that the implementation of EA One for the HR and Payroll system would enable self-service by staff in respect of their own personal details.

A Member queried the communications plan around the launch of the new hub to stakeholders. Mr Canavan said that the hub had gone live the previous Friday and all relevant stakeholders, including DE and the education partners, had been notified.

The Committee commended the online hub.

Action: *Officers asked to track and measure HR Online usage.*

7.2 GAR MEETING HELD EARLIER IN THE DAY - COVID-19 (CORONAVIRUS)

Mr Hanna said that, at the GAR meeting held earlier in the day with the Permanent Secretary, the message had been reinforced that DE and EA would continue to take advice from the Public Health Agency and the Chief Medical Officer in respect of providing guidance and support to schools on the coronavirus. He said that EA had been asked to provide regular briefings to DE on business planning around the coronavirus. He also said that officers were carrying out a piece of work to review business continuity arrangements in respect of this matter in consultation with DE officials.

8. HUMAN RESOURCES

8.1 ONLINE RECRUITMENT IN SCHOOLS - UPDATE ON IMPLEMENTATION

Mrs Mooney said that the online recruitment system for all non-school based posts had successfully launched on 28 May 2019. A review of lessons learned from the corporate roll-out, including the involvement of school leaders in planning, had helped to inform the implementation of online recruitment in schools which had gone live on 9 January 2020. She presented a paper* (FGP/3/20/6.1) setting out the key benefits of online recruitment in schools, the training and support provided to schools on the new arrangements, and the new HR Recruitment service delivery model. She pointed out that three dedicated teams to support school recruitment had been established across EA's three localities along with a corporate recruitment team. She said that due to the reduction in non value added administrative support, it was anticipated that the teams would have increased capacity to provide advice and guidance to schools. All recruitment teams could be contacted by a single telephone number and clear email addresses were in place for each team. She advised that HR would continue to monitor the implementation closely.

The Committee noted the position paper.

8.2 NJC PAY AND GRADING REVIEW - UPDATE

On the proposal of Mrs Carville, seconded by Mr Craig, it was agreed to discuss this matter in committee.

Mr McDermott provided a report on a pay and grading review for non-teaching staff.

On the proposal of Mr Craig, seconded by Ms O'Connor, it was agreed to resume the meeting.

While in committee, the Committee had noted the paper, including the engagement undertaken to date with Trade Unions and DE and the risks associated with the various options. The Committee had noted that it would be kept apprised of developments in this area.

9. OPERATIONS AND ESTATES

9.1 PROCUREMENT AND DELIVERY OF MAINTENANCE AND MINOR WORKS - UPDATE

Mr Hanna presented a paper* (FGP/3/20/7.1) setting out an update on the current contractual position and changes to the previously reported position to the Committee on procurement and delivery of Maintenance and Minor Works. He said that current contractual arrangements had been extended to April 2020 and a procurement exercise had been undertaken for an interim response maintenance contract for 2020-21 with the option to extend for a further year. The Procurement Project Board had agreed to put in place an alternative method for procuring minor works. This meant that EA would move from the use of Pre-Qualified Lists to a Dynamic Shortlisting System. With regard to response maintenance works, the Procurement Project Board had agreed that, from 1 April 2020, EA would procure a new Term Service Contract for an initial period of two years with the option to extend each year for a maximum of two further years. He said that this arrangement would inform EA's long term procurement strategy. The new procurement for maintenance and minor works would be a multi-disciplinary contract, based on three geographical areas aligned to EA's three localities, and would be inclusive of building and mechanical & electrical. Mr Hanna said that each locality would have a separate contractor for primary and post primary schools (ie, six economic operators in total).

Mr Hanna referred to market engagement and consultation with school leaders that had taken place on the proposals.

A Member asked if consideration had been given to the potential implications on the wider economy of EA setting standard rates for contractors. Mr Hanna outlined the process to set rates through the use of Quantity Surveyors in order to ensure that a fair and consistent rate could be used in respect of all schools across the region. He said that the Member's issue would be considered further as part of the contract's post evaluation exercise.

The Committee noted the paper including the decisions taken by the Procurement Project Board in respect of the procurement options, and the timeframe for the procurement exercise. It was anticipated that the contract would be presented to the Committee for consideration at its meeting on 5 May 2020.

Action: Consider the potential implications on the wider economy of EA setting standard rates for contractors as part of the contract's post evaluation exercise.

9.2 DIRECT AWARD CONTRACT (DAC) - PROCEDURE

Mr Hanna presented a paper* (FGP/3/20/7.2) setting out the current process for approving DACs and recommendations concerning the introduction of a new procedure which would provide better governance and accountability for DACs through an enhanced approval process.

In response to queries from a Member, Mr Hanna provided information on areas where DACs were most commonly used and the approximate value of DACs each year. It was noted that reports on DACs which were authorised by the Chief Executive were provided to the Audit and Risk Assurance Committee.

A Member raised a specific query around the payments process for a DAC. It was agreed that information on this query would be provided directly to the Member.

Members welcomed the new procedure which provided greater accountability and assurance. On the proposal of Mrs Carville, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the new procedure for approving Direct Award Contracts.

Action: *Information to be provided directly to the Member around the payments process for a DAC.*

9.3 TENDERS

The Committee considered tender reports* (FGP/3/20/7.3.1 and 7.3.2).

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

- Construction Works - Controlled Sector Major Capital Delivery - Above Threshold: EANI-1659; EANI-1768; EANI-1762; EANI-1765; EANI-1766; EANI-1767; EANI-1771; EANI-1772; EANI-1773; and EANI-1774.

The following tenders were noted:

- Construction Works - Controlled Sector Minor Capital Delivery (within approved delegated limits): GGIFC1718; GGIFC1718; CfT EANI-1854; CfT EANI-1925; CfT EANI-1928; CfT EANI-1932; and CfT EANI-1941.
- Goods and Services - Awarded from External Framework: NWUPC Framework AVI3120 NW; RM6060; 000720; and 000960.
- Goods and Services - Awarded from Collaborative Contract: ID 439254.
- Goods and Services - Select Tenders: BSF-20-002.

9.4 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/3/20/7.4) containing information on contracts which had been signed and sealed.

9.5 LAND AND PROPERTY TRANSACTIONS

Mr Hanna outlined the recommendations in the report* (FGP/3/20/7.5).

On the proposal of Ms O'Connor, seconded by Mr McCausland, the Committee agreed to recommend that the transactions listed below, and as set out in the report, should be approved:

- Granting/Renewal/Surrender/Variation of Lease Agreements: Former Killowen Outdoor Education Centre, Rostrevor; EPI (Youth) Centre, Armagh; Former St James Primary School, Aldergrove; and Carnalbanagh Primary School, Glenarm.

On the proposal of Mrs Carville, seconded by Rev Herron, the Committee agreed to recommend that the transactions listed below, and as set out in the report, should be approved:

- Licence Agreement: Carnalbanagh Primary School, Glenarm; and Aughnacloy College.

10. FINANCE

10.1 2019/20 FINANCIAL REPORT - TEN MONTHS TO 31 JANUARY 2020

Mr Wade presented the financial forecasts, based on information available, as set out in the paper* (FGP/3/20/8.1) including the MEMR* (Appendix 1). The total DE Schools' Delegated Budget for 2019/20 was £1,227.851m with a Block Grant allocation of £693.239m. In January, EA had received additional allocations amounting to £30.702m. This included £28.991m from January monitoring (£10m for special educational needs provision and £18.991m for increasing school deficits due to pay pressures) and an additional recurrent earmarked allocation of £1.711m. Mr Wade said that DE had also notified EA of an additional allocation of £10m and this would be reflected in February's MEMR.

Mr Wade said that, taking into account estimated savings of £20.769m, EA was reporting an overall estimated funding gap of £25.836m (excluding Earmarked and Youth). This comprising an estimated schools funding gap of £3.728m and an estimated Block Grant funding gap of £22.108m. He drew attention to budget allocations and estimated outturn across budget categories, based on available information and current assumptions, including the range of inescapable unfunded pressures. The most significant of these pressures were the pay inflation pressure of approximately £13.3m relating to services to schools, price inflation pressures of approximately £2.2m, and demand pressures of approximately £10.5m in the areas of special educational needs provision, transport, school meals, and the school development service.

Mr Wade said that the total school profiled funding gap had reduced by £2.489m since the December MEMR. This was broken down between surpluses (£0.025m) and increasing deficits (£2.464m) due to additional expenditure of £0.489m which had been offset by additional earmarked allocations of £2.978m.

The Committee noted Appendix 2* giving a breakdown of recurrent budget allocations received to the end of January. It was noted that Earmarked and Youth recurrent expenditure was expected to come in on budget.

Mr Wade referred to the Capital position and said that the January MEMR submission profiled an underspend of almost £0.020m against budget which mainly related to major works projects. Officers continued to monitor capital allocations and expenditure profiles carefully to ensure that EA expenditure remained within its overall budget allocation.

Mr Wade said that the January MEMR was profiling savings of £20.836m. This was on the assumption that an estimated £7m relating to school stock would complete by year end. In response to Members' queries, Mr Wade said that 491 schools had registered on the stock portal of which 129 schools were new to the process. To date, 397 schools had entered data on the portal, of which 327 schools had carried out their final stock count subject to review by EA staff. Mrs McCartan drew attention to the work undertaken with schools to promote the uptake of the stock take process.

Members welcomed the updated position which had resulted in a reduction of £36.965m on the December MEMR funding gap.

The Chair of the Board urged officers to continue to seek to maximise efficiencies, not only when engaging with schools to promote the stock take process, but in all areas. A Member said that prompt action was needed to take forward transformation projects, particularly over the term of the current Executive.

The Committee noted the profiled financial position, including the range of inescapable unfunded pressures, and that the overall estimated funding gap had reduced to £25.836m. While EA continued to operate at significant financial risk, Mr Wade said that EA was committed to mitigating the extent of financial risk and officers were working to identify actions which could reasonably be taken to minimise the funding gap in 2019/20.

10.2 SURPLUSES AND DEFICITS WORKING GROUP - MINUTES OF MEETING HELD ON 20 JANUARY 2020

The Vice-Chair of the Working Group presented the minutes* (FGP/3/20/8.2) of the meeting held on 20 January 2020. A report on this meeting had already been provided to the Committee at its meeting on 4 February 2020.

The Vice-Chair said that the final meeting of the Working Group was due to be held on 9 March 2020 and an update would be provided to the Committee thereafter.

The Committee noted the minutes.

11. ANY OTHER BUSINESS

TRIBUTE

The Chair said this was his last meeting as Committee Chair. He thanked Members and officers for their support and positive discourse over the past five years.

On behalf of Members and officers, Mr Wade expressed appreciation to the Chair for his dedication and commitment to the work of the Committee and for his support to officers.

A Member paid tribute to the Chair for his leadership during the previous two terms and wished him well in his retirement.

12. DATE OF NEXT MEETING

The next meeting would be held on 7 April 2020.

The meeting ended at 3.40 pm.

Chair

Date

* Paper circulated

** Paper tabled