

MINUTES OF PROCEEDINGS OF THE FINANCE AND GENERAL PURPOSES COMMITTEE OF THE EDUCATION AUTHORITY HELD ON 6 FEBRUARY 2018 AT 2.00 PM IN ANTRIM BOARD CENTRE

1. PRESENT Dr I McMorris (Chair)

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

2. IN ATTENDANCE

Mr G Boyd, Miss J Bill, Mr J Collings, Mrs C Duffield, Ms S Long, Mr M McDermott, Ms L McCall and for part of the meeting Mr M Baker, Mr S Baxter and Mrs J McAlister.

3. APOLOGY

An apology had been received from Mrs P Carville.

4. DECLARATIONS OF INTEREST

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

5. MINUTES OF MEETING HELD ON 9 JANUARY 2018

The Committee approved the minutes* (FGP/2/18/3) of the meeting held on 9 January 2018.

6. MATTERS ARISING FROM THE MINUTES

6.1 AUDIT OF INEQUALITIES (7)

A Member referred to a paper which had been published by the Equality Commission on best practice when conducting equality screening. It was agreed that this matter would be discussed by the Committee at its meeting in March when the Audit of Inequalities was being considered.

(Mr Pollock entered the meeting at 2.05 pm.)

6.2 LAND AND PROPERTY TRANSACTIONS (8.3)

Ms Long advised that a report would be provided to the Committee at its March meeting on the query involving the buy-out of the agreement in connection with the site of the former Scrabo High School.

7. OPERATIONS AND ESTATES SERVICES

7.1 OPERATIONAL REPORT

Ms Long advised that a financial report on Transport, Facilities Management and Maintenance would be presented to the Committee on a monthly basis from March onwards.

7.2 LICENSING REQUIREMENTS : SCHOOL MINIBUSES – UPDATE

Ms Long said that the contractual framework was now in place to enable schools to access training and be compliant with the change in the interpretation of the regulations. Officers were monitoring the uptake and costs within each school in order to provide a quarterly report to DE. This information would be provided to the Committee at the end of the first quarter.

In response to a Member's query, Ms Long advised that it was DE's intention to approach the Department of Infrastructure on this financial pressure on schools.

7.3 NUTRITIONAL STANDARDS FOR SCHOOL MEALS

Mrs McAlister said that for all age groups the EA was required to comply with DE's nutritional standards for school lunches and other foods in schools. She presented a paper* (FGP/2/18/6.3) giving an overview of the required nutritional standards for school meals and the average food cost associated with school meal provision in the previous financial year.

Members expressed concern with the provision of drinks in schools with sugar added, whether in the canteen, tuck shop or via a vending machine. Mrs McAlister outlined current standards for drinks which only allowed plain water, milk, unsweetened fruit or vegetable juices, yoghurt or milk drinks with less than 5% added sugar and drinks made with a combination of these. Combination drinks must contain at least 50% milk, yoghurt or fruit juice. Hot chocolate must be a low calorie version and was likely to be removed completely as a result of the review of nutritional standards. In addition the current standards stated that fresh drinking water, ie tap water must be provided free each day. The new standards would reflect the need to reduce the amount of sugar in foods that contributed most to children's dietary intakes by 20% by 2020. She advised that, within the School Catering Service, the range of drinks available to pupils was limited to those outlined. She said that DE had acknowledged that further legislation was necessary to compel schools to adhere to the compulsory standards for food and drink that they made available in school, eg tuck shops and vending machines.

Members noted that Voluntary Grammar and Grant Maintained Integrated Schools were already complying with a whole school food policy. The challenge therefore was for all other schools to comply with the whole school food policy. Members considered that filtered water should be made available to pupils within all schools as opposed to drinks with sugar added.

A Member queried if it was possible for pupils to select foods with a high fat content in the school canteen on a daily basis. Mrs McAlister said that menus were drawn up carefully to have regard to current food based standards. Fried foods or other high fat foods were provided twice a week (maximum). When such foods were served, an alternative lower fat option was required to be made available and a lower fat dessert. In addition, it was important that children were educated on the importance of healthy eating to make healthy choices.

A Member queried the advice made available to schools in support of pupils who had food allergies. Mrs McAlister said that the School Catering Service managed allergens and special diets as part of its Food Safety Management System inspected by Environmental Health. Schools were asked to make the Service aware of any pupils who had special dietary requirements including allergies. The Service worked with schools to ensure that pupils' requirements were met. She advised that the Regional Food in Schools Co-ordinator was developing guidance for schools on special diets. This

guidance would outline the role of the school, pupil, parent and the School Catering Service. It was anticipated that this guidance would be issued to schools by DE shortly.

It was noted that the Education Training Inspectorate had previously employed Nutritional Associates to inspect nutritional standards in schools. Mr Boyd said that officers would engage with the ETI to discuss the possibility of reactivating this element within the inspection process.

The Chair commended the School Catering Service for their work in schools.

Actions: *Actively promote the use of filtered water in all schools; engage with the ETI to discuss the possibility of reactivating this element within the inspection process.*

(During discussion of this item, Ms Toman left the meeting at 2.10 pm and re-entered at 2.11 pm. Mr Craig entered the meeting at 2.12 pm. Ms Toman left the meeting at 2.14 pm and re-entered at 2.15 pm.)

7.4 PROCUREMENT - PROPOSED STRUCTURE, STRATEGY AND MEMORANDUM OF AGREEMENT

Ms Long presented a paper* (FGP/2/18/6.4) on the proposed structure for Procurement. The paper set out the principles underpinning the development of the new structure. It also took account of recommendations made by an external independent assessment team as part of an informal review and assessment of EA's procurement activities in accordance with the requirements of the Centre of Procurement Expertise (CoPE) accreditation model. She advised that the accreditation team would be visiting the EA in early March to conduct a re-assessment for CoPE status.

Ms Long outlined a number of key changes within the proposed new structure and the anticipated benefits.

In response to a Member's query, Ms Long outlined the level of current procurement expertise within the section. The new structure would develop the expertise and facilitate the new method of procurement activity through category management.

A Member referred to the use of social clauses within procurement and to challenges in terms of uptake across the public sector. She asked for a report on lessons learned on how to improve the use of social clauses within procurement to be provided to the Committee. Ms Long confirmed that the EA was compliant with the requirements relating to social clauses and undertook to provide a report on this matter to the Committee at its April meeting.

A Member drew attention to the number of professional staff within the section. Ms Long said that the majority of the salary costs for this body of staff was capitalised. An outline of their work linked to the capital programme was provided. She said that discussion was currently taking place with DE on how to develop this resource. She undertook to provide further information on this cohort of staff to the Committee at a future meeting. The Chair suggested that benchmarking data on the professional staff within the Directorate would be beneficial. A Member said that he would also welcome a report on the transitional issues facing Procurement.

Ms Long presented the EA Procurement Strategy* (FGP/2/18/6.4). It was pointed out that the external independent assessment team had recommended that the EA should establish a professionally qualified Head of CoPE to support the effective management of all procurement activity within the EA. The Committee noted that, within the strategy, the

Head of CoPE responsibility would transfer from the Chief Executive to the Director of Operations and Estates in line with this recommendation.

On the proposal of Mr Craig, seconded by Mr Pollock, the Committee agreed to recommend the adoption of the EA Procurement Strategy. This was subject to the caveat that the terminology in the strategy, where appropriate, would be strengthened around the use of social clauses.

The Committee noted the Memorandum of Agreement* (FGP/2/18/6.4) between DE and EA which set out the arrangements whereby the EA would act as delivery agent on behalf of DE for various works within the non-controlled and youth sectors.

Actions: *Strengthen, where appropriate, the terminology in the Procurement Strategy around social clauses; further information to be presented to the Committee on the professional body of staff within the Directorate.*

7.5 TENDERS

The Committee considered tender reports* (FGP/2/18/6.5.1 and 6.5.2).

Members commented on the positive impact that the cashless catering machines had on destigmatising pupils in receipt of free school meals. They also acknowledged that while it was the strategic direction of the EA to move to on-line payments, it was important to continue to offer choice to parents for cash and on-line payment methods.

On the proposal of Mr Pollock, seconded by Ms O'Connor, the Committee approved the following tenders:

- Goods and Services - T70293

The following tenders had been noted:

- Controlled Sector Construction Works (within approved delegated limits) - CfT EANI 1056; CfT EANI 1079; CfT EANI 1086; CfT EANI 1090; CfT EANI 1092; CfT ENI 1096; CfT EANI 1144; CfT EANI 1115; CfT EANI 1136; CfT EANI 1120.
- Goods and Services - Select Tenders: T70351; T1030253.

7.6 CONTRACT DOCUMENT

The Committee noted the paper* (FGP/2/18/6.6) containing information in respect of contracts which had been signed and sealed.

7.7 LAND AND PROPERTY TRANSACTIONS

Granting / Renewal of Lease Agreements: Ballymena Grounds Maintenance Depot; Coleraine Grammar School; Knockmore Primary School, Lisburn; Glenraig Integrated Primary School, Holywood; Springhill Primary School, Belfast

Ms Long detailed the recommendations set out in the report* (FGP/2/18/6.7).

On the proposal of Mr Craig, seconded by Ms O'Connor, the Committee agreed to recommend the adoption of the transactions in the report.

A Member queried progress around the transfer of the former Lisnaskea High School site. Ms Long provided a report on the negotiations which were continuing to take place in respect of this site.

8. HUMAN RESOURCES

RURAL NEEDS ACT (NORTHERN IRELAND) 2016

Mr McDermott presented a paper* (FGP/2/18/7) summarising the duties that would apply to the EA from 1 June 2018 by the Rural Needs Act (Northern Ireland) 2016. In order to meet the requirements of the Act, he said that the new Equality and Human Rights screening template would be adapted to incorporate the requirements of rural assessment. He also drew attention to various actions that would be taken in order to meet the requirements of the Act, as set out in the paper.

A Member referred to the statutory requirement, under Section 28e, to address disadvantage. She queried whether a report could be provided on the range of measures where resources had been targeted on the basis of objective need. She referred specifically to three Government Departments whose equality schemes had captured rurality, geographical and socio economic considerations. Mr McDermott referred to research which was currently being undertaken by the Scottish Executive on embedding socio economic considerations.

Discussion ensued on definitions given to urban and rural settlements.

Mr McDermott said that a workshop on the Rural Needs Act (Northern Ireland) 2016 would be provided for all Board Members in April 2018.

9. FINANCE

9.1 2017/18 FINANCIAL POSITION

RECURRENT REPORT : NINE MONTHS TO 31 DECEMBER 2017

Miss Bill presented the financial forecasts, based on information available, as shown in the paper* (FGP/2/18/8.1) including the MEMR* (Appendix 1). The Committee noted that the NI Budget Bill had received Royal Assent in November 2017.

The total 2017/18 budget for the Schools' Delegated Budget was £1,167.500m (including Voluntary Grammar and Grant Maintained Integrated schools) with a Block Grant allocation of £534.37m. During December 2017, additional Earmarked allocations of £13.292m had been received (Appendix 2).

Miss Bill advised that DE had approved the 2017/18 Initial Budget Plan with the customary conditions attached to that approval.

Miss Bill said that the MEMR was showing an estimated funding gap of £67.24m (excluding Earmarked and Youth). This comprised an estimated £63.16m in the Block Grant after £26.3m of estimated savings had been applied and an estimated £4.08m in the Aggregated Schools' Budget. Based on the latest reported school expenditure to December and the anticipated spending patterns during the current year, schools would require an estimated £8m school surplus drawdown. Miss Bill said that DE had confirmed in January that the bid for school surplus drawdown of £8m had been successful in the December monitoring round. She also reported that DE had allocated, in January, an additional £6m for special educational needs as a result of the December monitoring round. Both additional allocations would be reflected within the subsequent MEMR.

Miss Bill said that the estimated increase of £1.51m from the November position gave an estimated funding gap in the EA Block Grant of £63.16m. This increase related to an estimated pressure relating to taxis and private hire (£0.98m); pressures within school

meals (£100k); teacher substitution costs within VG / GMI schools (£230k); and pressures within other resources (£207k).

Miss Bill said that, as at 17 January 2018, 98% of schools had met EA officers to discuss their financial plans and 2% (18 schools) had yet to meet officers. A total of 82% of school plans had been approved by their respective Boards of Governors. It was noted that 223 schools had received approval letters as their plans had demonstrated they were planning to live within their 2017/18 CFF allocations. Furthermore, 618 schools had received letters to advise that their submitted plans had not been approved at this stage as they exceeded the 2017/18 CFF allocation and that EA would continue to work with these schools. Miss Bill said that a letter was due to issue to schools shortly to provide assurance that schools would have access to accumulated surpluses in 2017/18.

A breakdown of the pressure arising within VG / GMI schools was set out in Appendix 3.

Miss Bill advised that DE's bid for additional resources for Maintenance within the December monitoring round had not been successful. It was noted that the current estimated requirement for Maintenance was £16.099m compared to the initial budget allocation of £14.04m. Miss Bill highlighted that the Maintenance budget was 1% of the assets on EA's balance sheet and that investment was needed in this area.

Miss Bill said that the December MEMR reflected the current estimate of savings now profiled at £26.3m. She highlighted that the scale of the financial risk had been clearly articulated with over 70% of savings rated amber or red. She said that an estimated £12m savings were predicated on the extension of financial management to schools which would be influenced by factors such as schools' co-operation and actual items and value and could only be known at year end.

Miss Bill said that EA was investigating if additional funding could be issued to schools while seeking to ensure that amounts would not be lost to the system as surplus growth.

Miss Bill provided a presentation on the actual EA resource budget received since 2010/11 compared to a projected resource allocation uplifted for inflation but excluding demand pressures. She pointed out that budgets had not kept pace with inflation, or demand, since 2010/11. EA could not deal with significant reductions in the budget's spending power as well as managing demand and inflationary increases. While savings had been made, EA could not deliver the level of savings required to meet these three challenges in the short timescale given the structural constraints. It was necessary that EA should move forward as quickly as possible with the Transformation programme and that funding would be needed to support the current system and to support transformation which could take a number of years.

Members noted the unsustainable financial position. They discussed growing pressures particularly within SEN. A Member queried if the level of financial pressures within Education had been communicated by officers to individual political parties.

Mr Boyd said that the presentation given to school principals in November and December 2017 on the financial context within Education had been adapted for political parties. He was in regular communication with political parties, on a less formal basis, and the financial challenges within Education were shared where possible on these occasions. He said that these serious financial challenges were being highlighted in the media. He referred to upcoming meetings between the Permanent Secretaries and representatives of the NI Office on the NI financial context.

A Member indicated that all political parties had received a budget briefing from the DoF on the known financial implications of each department. Historically, political parties had focused on maintaining and investing resources in both Health and Education when there had been financial constraints. She said that there were recommendations within the DoF Briefing which were politically contentious. She highlighted the importance of compiling an evidence base to drive forward Transformation within Education.

A Member pointed out that the Transformation Programme Members' Sub-Group would be examining principles of transformation as well as giving consideration to appropriate investment and incentivising schools.

A Member urged caution as many of the principles underpinning transformation could only be brought about through change in policy.

The Chair of the Board said that school principals, at the engagement events held during November and December 2017, had agreed on the need for change and had asked officers to involve schools when considering matters of transformation.

A Member said that EA's current estimate of savings was £26.3m. While EA had demonstrated efficiencies, it was important to highlight that there were further efficiency measures to be realised but these related to longer term measures.

Miss Bill said that an exercise was being carried out on contingency funding to schools in a financial deficit position. A Member asked if EA had the option of not approving school plans. Mr Boyd confirmed that it had. Members discussed controls to address schools in serious financial deficit positions.

The Committee considered a paper* (FGP/2/18/8.1) setting out an update on the EA response to the DoF Briefing on the Budgetary Outlook following the Board meeting on 25 January 2018. The paper detailed potential impacts for the EA and an assessment of estimated pressures and funding gaps for 2018/19 and 2019/20.

Miss Bill said that DE had issued a paper on 23 January 2018 setting out indicative budgets for Non-Departmental Public Bodies based on the DoF Briefing document (Annex 3). DE had outlined a proposed budget scenario for EA under each DoF scenario. Miss Bill drew attention to the EA's estimated requirements for 2018/19 and 2019/20 against a cash flat budget at 2017/18. Members noted the estimated funding gaps for both the Aggregated Schools' Budget and the EA Block Grant in both years. They considered that EA would not be able to live within any of the proposed budget scenarios and that it would require additional funding to maintain and sustain educational outcomes and services to schools and children and young people and meet unavoidable statute and contract based demand pressures and inflation.

On the proposal of Rev Herron, seconded by Mr Pollock, the Committee agreed to recommend that the EA should write to DE outlining the implications of the proposed budget scenarios on services and on maintaining and sustaining educational outcomes for children and young people.

Action: Letter to issue to DE outlining the implications of the proposed budget scenarios on services and on maintaining and sustaining educational outcomes for children and young people.

(Rev Herron left the meeting at 4.12 pm.)

9.2 CAPITAL REPORT - NINE MONTHS TO 31 DECEMBER 2017

The Committee noted the capital report* (FGP/2/18/8.2) detailing spend as at 31 December 2017 (£34.159m) within the overall capital allocation (schools and youth) of £66.825m.

Miss Bill provided an overview of individual budget lines, advising where pressures and / or easements had been declared and approved by DE. It was noted that the business case for Transport had been submitted to DE for approval. It was also noted that a further review was being carried out on IT projects which might impact year end forecasts.

The Committee noted that in all areas, it was anticipated that budgets would be fully spent by 31 March 2018. However, the EA would continue to monitor the situation and develop alternate proposals where needed.

Miss Bill said that capital allocations and spend profiles continued to be carefully monitored and reported to DE.

9.3 ACCEPTABLE USE OF ICT POLICY

The Chair welcomed to the meeting Mr Baxter, Assistant Director for ICT.

Mr Baxter presented the draft policy* (FGP/2/18/8.3) relating to the use of all information and communications technology owned or operated by the EA. The policy would apply to all EA staff and set out guidance on internet and email usage as well as mobile computing, removable media and software use.

Mr Baxter advised that it was intended that staff would be introduced to the policy through computer based learning. Staff would be required to read the policy and undertake an annual quiz.

A Member said that the policy would also be a useful tool for schools. It was agreed that the policy would be adapted and made available for school use.

(Mr Doran left the meeting at 4.28 pm.)

On the proposal of Mr Craig, seconded by Mr Pollock, the Committee agreed to recommend the adoption of the Acceptable Use of ICT Policy.

Action: *Adapt policy for school use and issue to schools.*

10. PEACE IV FUNDING - COLLABORATING AND SHARING THROUGH EDUCATION

Mr Baker presented a paper* (FGP/2/18/9) giving an overview of the project to be expended and claimed by 31 March 2022. The project targeted primary and post-primary schools north and south of the border which had limited or no experience of shared education. Mr Baker outlined the project targets and risks. He also outlined the audit process to monitor spend.

The Committee noted copies of the SEUPB letter of offer* dated 8 September 2017 and the partnership agreement* with LEARGAS. This covered the management of the project and the interaction between the two partners. Mr Baker said that the EA and LEARGAS, in conjunction with the two Departments north and south, had worked together to take forward various issues.

A Member received clarification that the intention of the project was to enhance collaboration and sharing within the two main communities. It was acknowledged however that all stakeholders from all communities would benefit from collaboration and sharing arrangements.

The Committee commended the work being taken forward in this area.

11. DATE OF NEXT MEETING

The next meeting would be held on 6 March 2018.

The meeting ended at 4.40 pm.

Chair

Date

* Paper circulated