

**Education and Library Boards Annual Report and Accounts**  
For the year ended 31 March 2005

*Laid before the Houses of Parliament by the South Eastern Education and Library Board in accordance with Paragraph 12(2) and (12(4) of the Schedule to the Northern Ireland Act 2000 and Paragraph 41 of the Schedule to the Northern Ireland Act 2000 (Prescribed Documents) Order 2004*

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## **FOREWORD**

The past year has been one of the most challenging in recent times for the Board due to financial constraints. A deficit situation carried forward from 2003/2004 meant that all Board services were subject to intensive scrutiny to identify areas where more efficiencies could be achieved.

Despite the challenges presented by the budget situation, Board Members and officers responded positively and, throughout this Report, you will see many examples of innovative and creative work by dedicated and professional staff in fulfilment of the Board's mission of raising the achievement of all the people of the area. The following are only some of the many examples:

- The Curriculum Advisory and Support Service provided approximately 6,500 school-based support-sessions and 230 centre-based courses designed to assist teachers to deliver high quality educational experiences for children and young people
- All Registered Youth Organisations were offered curriculum development programmes to support the delivery of the N Ireland Youth Services Curriculum. An important development during the year was the growth of school-based youth work with 16 Prince's Trust xL programmes operating in post-primary schools
- The Music Service continued to nurture the talent of many young people delivering instrumental tuition to 2,330 pupils in schools with a further 240 pupils receiving individual tuition in the evenings
- Over 200 young people were provided with opportunities to engage in Alternative Education Provision, delivered by a multi-disciplinary team, involving teachers, youth workers and social workers
- Two new school buildings were opened during the year and work continued to progress new building or major refurbishments for another 7 schools. The PFI contract for the new Lisburn Library was signed in July 2004 and an economic appraisal for the refurbishment of the Carnegie Library in Bangor was approved
- Over 19,000 people attended programmes and events in our public libraries, ranging from performances, demonstrations, exhibitions, tutorials and storytelling, with a key feature being the 4<sup>th</sup> Annual Library, Arts and Culture Festival, "Beyond Words"
- In direct response to the government's "Unlocking Creativity" agenda, Studio On Creative Learning Centre, a unique partnership between the SEELB and the Nerve Centre delivered programmes in film, animation, multi-media and digital imaging to over 2,000 participants
- At the Board's 6<sup>th</sup> Annual Awards Evening, held in the Whitla Hall at Queen's University, Belfast, the academic, sporting and cultural achievements of our young people were celebrated, together with the invaluable contribution that many of them make through community service as well as the bravery shown by some in face of extreme adversity.

By focusing on some of these high-profile achievements of the Board, we must not forget the tremendous contribution made by the many people who work in support areas in Board Headquarters and elsewhere, without whom services would grind to a halt. Our thanks are due also to all these staff for their continued professionalism and hard work.

It is with regret therefore that we have to report that in 2004/2005, despite sterling efforts by all concerned, the Board failed to achieve its target of living within budget.

**Rev G Haire**  
**SEELB Board Chairman**

**Ms I M Knox**  
**Chief Executive**

## INTRODUCTION

The South Eastern Education and Library Board was established in 1973, following a re-organisation of Local Government in Northern Ireland. It is a corporate body, established under statute as the Local Authority for education, library and youth services in the south-eastern region of the province.

The region comprises five Council areas:

- Ards
- Castlereagh
- Down
- Lisburn
- North Down

In 2002, the population of the Board's area was 391,612 and at October 2004 there were 65,612 children attending schools in the area, with a further 1,347 children in pre-school education centres.

The Board provides/supports:

- 31 Public Library Service Points
- a Music Centre
- an Arts and Creativity Centre
- 3 Residential Education Centres (2 Outdoor and 1 Field Studies)
- 2 Resource Centres
- 15 Controlled Youth Centres
- 5 Neighbourhood Education Centres

The powers, duties and privileges of the Board are defined in the relevant Education and Libraries (Northern Ireland) Orders and the Education Reform (Northern Ireland) Order 1989. Certain responsibilities in the field of employment, childcare and health and safety are also placed on the Board by other legislation enacted for Northern Ireland.

The Board has statutory responsibility within the public education system for primary and secondary education within its area. It must also have regard to the need for pre-school education. The Board is responsible for the provision of comprehensive and efficient library services to the public and to schools and for the provision of youth services.

The Board, in carrying out all its functions, will fulfil its duties under Section 75 of the Northern Ireland Act 1998, including the promotion of equality of opportunity and equity of treatment regardless of religious belief, political opinion, gender, marital status, having or not having dependants, disability, racial group, age or sexual orientation.

Copies of the legislative documents may be viewed at Board Headquarters, or in any branch library.

Within the Board's area there are:

- 18 Nursery Schools and 38 Nursery Units
- 161 Primary Schools
- 29 Secondary Schools
- 10 Grammar Schools
- 11 Special Schools and 25 Special Units

Board Headquarters are located at Grahamsbridge Road, Dundonald. Library Headquarters are at Windmill Hill, Ballynahinch.

## **ACCOUNTABILITY**

The Board is a non-departmental public body (NDPB), which as a result of devolution and the re-organisation of Central Government functions, reports to three Departments:

### **Education (DE)**

- Nursery Schools
- Pre-School Initiatives
- Primary Schools
- Secondary Schools
- Grammar Schools
- Special Schools and Home Tuition
- Headquarters Administration
- Milk and Meals
- Home to School Transport
- Curriculum Advisory and Support Service
- Schools Library Service
- Youth
- Miscellaneous Educational Services
- Boarding and Clothing Allowances
- Music Service

### **Culture, Arts and Leisure (DCAL)**

- Public Library Service
- Irish-Medium Curriculum Resource Unit

### **Employment and Learning (DEL)**

- Meals (FE)
- Home to College Transport
- Discretionary Awards
- Miscellaneous Educational Services
- Mandatory Student Awards
- Boarding, Maintenance and Clothing Allowance

The Chief Executive, as Accounting Officer, has responsibility for safeguarding public funds and ensuring that they are applied only for the purposes for which they have been allocated.

## BOARD MEMBERS

The Board consists of 36 members, all of whom are appointed by the Minister with responsibility for Education within Northern Ireland.

### Members Nominated by the five District Councils (14)

[Attendance]  
from a possible 12 Board meetings

Councillor R Gibson (Chairman)	11
An Comhairleoir Pol de Buitleir	9
Councillor C Calvert	5
Councillor Mrs M Craig	8
Councillor G N Douglas	8
Councillor Mrs R M Dunlop	7
Alderman G Ennis	3
Alderman C Hall	10
Councillor J Norris	6
Councillor Mrs C O'Boyle	7
Councillor Mrs M Smith	5
Councillor W M Ward	11
Councillor W G Watson	9
Councillor Mrs A Wilson	8

### Members Representative of Transferors of Schools (6)

Rev Dr D J Watts	5
Rev Dr J P O'Barry	11
Rev C W Bell	7
Rev Dr R A Russell	4
Mr J D Uprichard	11
Vacancy	-

### Members Representative of the Trustees of Maintained Schools (2)

Miss M M McHenry	12
Mr D G Mullan	7

### Ministerial Nominations Representing Libraries, Teachers, Youth Services, Industry and Commerce, Trade Unions (14)

Mr D A Cahill	8
Mrs J Campbell (resigned June 04)	2
Mr J L Colgan	9
Mr S I Davidson	9
Mr M P Flanagan	9
Mrs F A Gault	10
Rev G N Haire	8
Mr R A Jones	12
Mr R J McFerran (Vice Chairman)	11
Mrs M M McGoran	10
Mrs E M Robinson	9
Ms J Williams	9
Dr R Montgomery	9
Mr I Arbuthnot	8

## COMMITTEE STRUCTURE

The work of the Board is carried out through a Committee structure. The Committees of the Board are: -

- Audit Committee
- Chairmen's Committee
- Committee for the Management of Schools
- Education Committee
- Expulsions Committee
- Finance and Property Services Committee
- General Purposes Committee
- Library and Information Committee
- Strategic Issues Committee
- Teaching Appointments Committee
- Youth Committee

## EXECUTIVE STRUCTURE

The executive business of the Board is carried out by a team of officers under the leadership of the Chief Executive, Mr J B Fitzsimons. Board Headquarters are at Grahamsbridge Road, Dundonald, while Library Headquarters are at Windmill Hill, Ballynahinch.

The executive team is organised into the following strategic units, each led by a member of the Senior Management Team:

### **Chief Executive's Directorate: Jackie Fitzsimons**

- Strategic Planning
- Internal Audit
- ELBs Solicitors

### **Administration Services: Irene Knox**

- Property Services
- Claims and Legal Administration
- Organisational Development
- Equality and Human Rights
- Human Resources Services
- Transport Services
- Health & Safety

### **Curriculum Services: Stanton Sloan**

- Educational Psychology Services
- Education Welfare Services
- Special Education
- Youth
- Curriculum Advisory and Support Service
- Music Service
- Primary/Nursery/Early Years
- Post Primary
- Open Enrolment and Transfer
- Studio ON

**Finance Services: Ken Brown**

- Accounts
- Payroll
- Local Management of Schools (LMS)
- Budgetary Control
- Financial Control
- Purchasing
- Facilities, Catering and Hospitality
- Catering Service
- Grounds Maintenance Service
- Cleaning Service
- Student Support
- Awards and Benefits
- Financial Services Administration Unit

**Library and Information: Beth Porter**

- Library Service Unit
- Central Information Service
- Local Studies Service
- Youth Service
- Central Stock Services
- Special Services Unit
- Marketing Unit
- Corporate IT Services
- Corporate Information Services and Publications Unit
- Registry/Reception Services
- Reprographic and Graphics Design Services

## **MISSION STATEMENT**

*To raise the standards of learning and levels of achievement of the people of the Board's area through the provision of high quality education, library and youth services.*

The South Eastern Education and Library Board is committed to the delivery of high quality education, library and youth services within a safe environment. The Board recognises that it can only achieve its objectives with the co-operation, commitment and expertise of its workforce. It places, therefore, a high value on the contribution of Board and school staff in developing the service and raising achievement. In order to realise its mission, the key objectives centre on:

### **Focus on results**

- To raise standards of learning and levels of achievement
- To fulfil statutory obligations
- To improve the Board's asset base
- To deliver value for money
- To live within budget

### **Responding to customer needs**

- To provide high quality services to meet customer needs
- To improve customer communication
- To improve accessibility

### **Streamlining internal processes**

- To embed principles of corporate governance
- To improve service delivery
- To deliver coherent joined-up services

### **Promoting organisational learning and growth**

- To improve the well-being of staff within the organisation
- To provide staff training and development opportunities for all
- To promote one core value each year throughout the organisation
- To improve internal communications

The following sections provide examples of work undertaken by the Board to achieve its key objectives.

## FOCUS ON RESULTS

### Curriculum Services

#### Curriculum Advisory and Support Service (CASS)

CASS provides curriculum, advisory and support services to the Nursery, Primary, Post Primary and Special Education Sectors within the SEELB's area.

The aim of CASS is "to provide high quality advisory and support services which promote school effectiveness and improvement, leading to raised pupil achievement."

CASS customers include school Principals, Governors, teachers, and technical/ancillary staff.

During 2004/05 the Central Management Support Unit (CMSU) began a fundamental review of the Education and Library Boards' Curriculum Advisory and Support Services. The review examined key aspects of the services, on a five Board and individual Board basis, to identify examples of good practice and those areas requiring further development. The service review was carried out using Best Value principles, through a process of Challenge, Compare, Consult and Compete, and in accordance with Projects in a Controlled Environment (PRINCE) methodology.

The annual consultation exercise undertaken with schools in 2004/05, for support provision during the 2005/06 academic year, yielded a 96% response. This was an increase on the previous year.

#### Inset Consultation Returns for 2005/06

Type	No. of Schools	No. Received	%
Post Primary	39	37	95
Special	11	9	82
Nursery	18	18	100
Controlled Primary	100	98	98
Maintained Primary	61	59	97
Preparatory	7	6	86
<b>Total</b>	<b>236</b>	<b>227</b>	<b>96</b>

During 2004/05, CASS provided approximately 6,500 school-based support sessions totaling approximately 13,500 hours.

Taking account of the numbers of teachers attending school-based support sessions during 2004/05, the above equates to a total of approximately 19,500 teacher support sessions or, on average, approximately five support sessions per teacher employed in the SEELB.

During 2004/05, 12 post-primary schools were provided with training and support for the implementation of Employability in Year 9, and 11 post-primary schools for implementation in Year 8.

During 2004/05, 13 post-primary schools were supported in the implementation of Local and Global Citizenship in Year 10, 14 post-primary schools in Year 9, and 17 post-primary schools in Year 8.

By January 2005, 75% of schools received training on the “Drugs Guidance for Schools” document.

During the academic year 2004/05, 195 teachers were trained in the Chrysalis Programme.

In 2004/05, CASS provided 230 centre-based courses. 60% of the courses provided during 2004/05 were in response to statutory support obligations including Beginning Teachers, Early Professional Development, Health and Safety, Literacy, Numeracy and Leadership/ Management Development for new Principals and Vice Principals.

During 2003/04 there were 56 Board of Governors training sessions while in 2004/05 there were 22 sessions. Many of these sessions focused on Performance Review Staff Development (PRSD) training and were facilitated by the Regional Training Unit. Between January 2005 and April 2005, 405 Governors received training in PRSD.

The above reduction in courses during 2004/05 was at a period of major financial pressure on the SEELB, and a major reduction in the level of CASS staffing. The level of CASS staffing in the SEELB is now the lowest of the five ELBs.

Reading Recovery in the SEELB continued to grow in terms of teachers trained and children receiving the programme. The percentage of children successfully discontinued was higher than the national figure.

During 2004/05 a total of 76 children with SEN were referred for assessment of their ICT needs. 56 children in 42 schools were assessed and, of those, 38 required specialist ICT provision. At the end of 2004/05 a total of 120 children in 59 schools were being supported through additional ICT provision and on-going advice.

During 2004/05, 90% of teachers rated centre-based courses provided by CASS as being very helpful.

### **Youth Service**

Throughout the year Curriculum Development Programmes were offered to all Registered Youth Organisations in the Board area, to support the delivery of the Northern Ireland Youth Service Curriculum. In particular, training in Quality Assurance processes at Unit level made a significant contribution to the ongoing development of effective services for young people.

An important development during the year was the growth of School Based Youth Work Projects, including the Prince’s Trust xl Programme. Currently the Youth Section provides 16 Prince’s Trust Programmes in Post Primary Schools in the Board area.

### **Music Centre**

This year the Music Centre staff delivered the instrumental teaching service to 2,330 pupils in 130 schools in the SEELB area. In addition, 240 pupils had individual tuition during the evenings at the District Centres in Bangor, Castlereagh, Lisburn and Downpatrick.

Through the Music Service, 715 students took examinations with the Associated Board of the Royal Schools of Music. The pass rate was 99%.

Music Centre staff delivered 75 demonstration concerts for strings, woodwind and brass instruments to schools not receiving the tuition service.

The number of students involved in the Music Centre groups was 760.

Successful and well attended performances throughout the year included a Christmas Concert at the Whitla Hall, 2 Spring Concerts in March at Lagan Valley Island Centre and 4 Showcase Concerts at Bangor, Castlereagh, Downpatrick and Lisburn.

## **Alternative Education Provision**

In October 2004 the Education Training Inspectorate carried out a focused inspection in Bangor Neighbourhood Education Centre. This report acknowledged the positive progression made in the South Eastern Education & Library Board for key Stage 4 pupils outside of mainstream education. In particular the report commended the staff on positive relationships with young people, the delivery of a meaningful and relevant curriculum and on the excellent attendance records of the pupils. The report highlighted the need for additional resources and in particular more appropriate premises to be secured for Alternative Education Provision.

Within the 5 Neighbourhood Education Centres education for 210 young people was provided through innovative educational programmes, delivered by a multi-disciplinary team, encompassing teachers, youth workers and social workers.

During the year 2004/05 a comprehensive review of alternative education provision was completed encompassing the design of new robust referral criteria, induction processes, curriculum subjects and accreditation: a clear ethos with agreed values focusing on the needs of young people (both within their family and communities in which they live) and the development of comprehensive risk assessments were all implemented.

At the end of the year the staff team evaluated the monitoring tools used to measure progress with each student. This resulted in a comprehensive recording mechanism to assess adequate progress and deliver an individual education plan for each pupil.

## **Administration Services**

### **Best Value: Fundamental Review of the Youth Service**

‘The youth service does so much with so little.’ This comment made by a consultee succinctly summarised the findings of the fundamental review which concluded in January 2005. It was apparent that the service was much admired within the education sector and achieved superb results with limited resources. Youth Service staff were commended for their professional approach, commitment, flexibility and enthusiasm in the face of a difficult job.

Inevitably, in a service of such wide scope, a few areas were identified which required further development, such as marketing, inclusion and ICT.

Several contemporaneous issues were identified that may have the potential to impact on the Youth Service, e.g. Review of Public Administration, an Equality Impact Assessment and the NI Youth Work Strategy. It is important that, as a result of any change, the service retains its strengths and relationship with formal education and does not lose focus of its main aims. The youth service must maintain a local presence, meeting local needs, to develop the young people of today as the responsible citizens of tomorrow.

### **Fundamental Review of the Curriculum Advisory & Support Service (CASS)**

The review which commenced in October 2004 will examine key aspects of the service in order to identify examples of good practice and those areas requiring further development. The main activities of the service are the continuous professional development of teachers, managers and governors within schools and the ongoing improvement of those schools. It is important to remember that the service operates in a complex and changing environment within the constraints of increasingly limited resources.

## **Equality (Section 75)**

In March 2005, the Board's Equality Unit submitted its fourth Annual Report to the Equality Commission within the relevant time period.

The Unit continued to work in collaboration with the other Education and Library Boards and the Staff Commission for Education and Library Boards in accordance with the Board's Equality Scheme. In 2004/05 the Board received no complaints related to Section 75.

Further information on the progression of the Board's Equality Scheme and the promotion of equal opportunities and good relations may be found in the Board's Annual Report to the Equality Commission at [www.seelb.org.uk](http://www.seelb.org.uk).

## **Estates Management**

Well designed and well built schools, youth facilities and libraries which inspire users and add value to learning are the principal aims of the Boards Property Services Department. These aims were achieved in 2004 / 2005.

### Major Capital Schemes

The new PFI project for Lisburn Library got underway with the contactors led by Turkingtons.

All disabled access priority 1 schemes in libraries were completed.

New schools buildings were opened for Clifton Special School, Bangor and All Childrens Integrated Primary School, Newcastle.

Work continued at the following sites:

- Regent House – Phase 2 – complete refurbishment of a large Grammar School.
- Dundonald Primary School – replacement for a large Primary School.
- Clough / Downshire Primary School (since renamed Cumran Primary School) a new Primary School formed by amalgamation of two Primary Schools.
- Hillsborough / Newport Primary School (now named Downshire Primary School, Hillsborough) a new Primary School formed by amalgamation of two Primary Schools.
- Ballyholme Primary School – complete refurbishment / new build.
- Kilmaine Primary School – a new Primary School procured by 'Design and Build'.
- Saintfield High School – refurbishment and extension.

Design work and planning application were progressed for Ballinderry Primary School and Brookfield Special School.

Work was done in relation to the new East Lisburn Primary School but the scheme has not advanced due to planning permission problems.

### PPP

The project Boards for both South Eastern Education and Library Board clusters, Tor Bank Special School / Lagan College and Bangor Academy / Comber High School (now named Nendrum College) were progressed but no building work has yet occurred.

### Service Delivery

The Board is now using the Manhattan system for all its maintenance functions.

### Statutory Duties

The surveying of the schools estate required under Control of Asbestos at work Regulations is proceeding.

Training events relating to asbestos were held for school and premises managers.

### Area Plan and related issues

During 2004 / 2005 the Board carried out strategic reviews of provision in Lisburn, Castlereagh, Bangor and Ards.

Economic appraisals were progressed for the following:

- New nursery, primary and post primary provision in Holywood.
- Post primary education in Downpatrick.
- High school and music centre in Ballynahinch.
- Victoria Primary School, Ballyhalbert.
- Knockevin Special School – extension.

### Minor Works

The Board carried out minor works at various locations in its area.

### Development Proposals

Development proposals published for the following:

- Establishment of new Irish Medium Primary School in Poleglass.
- Establishment of Nursery Unit at Oakwood Integrated Primary School.

## **Finance Services**

### **Cleaning Services**

The Cleaning Service again participated in the local government benchmarking initiative jointly promoted by the Association for Public Service Excellence (APSE) and the Northern Ireland Staff Commission.

Performance comparisons this year were made against 3 NI Education Boards and 8 comparator authorities in England, Wales and Scotland (Family Group) responsible for similar sized operations.

For the third year running the Board's cleaning service was one of the top ranking performers having:

- Lowest cost per square metre for all areas cleaned at £7.72. Family group average £10.27
- 4<sup>th</sup> lowest material cost as a percentage of total costs at 1.75%. Family group average 2.66%
- 2<sup>nd</sup> lowest staff absence at 4.2%. Family group average 5.93%
- 2<sup>nd</sup> highest productivity (defined as total square metres cleaned per full time equivalent employee) at 1600 sq metres. Family group average 1431.

### **Procurement**

Procurement has not been immune to the cuts in services and reductions in staff collectively faced by the Board, so resources have been stretched. Nevertheless a number of achievements have been made by the Procurement Section to support the delivery of better services. Some of the main achievements of the year are referred to below:

- On the Board's Oracle Financial System 5853 electronic requisitions were created and approved. Then from these Procurement placed 6835 purchase orders on behalf of the Board – 22% of which are created directly from the Oracle Catalogue of contract items.
- The Procurement Section continued to focus on the provision of contracts for the furniture, equipment and services required by the Board, particularly schools. In the 2004/5 some 42 of the 100+ contracts (some on behalf of all Boards) were awarded, playing a major role in cost reduction for schools and service managers trying to deliver their services within budget.
- Cooperative working between the 5 separate autonomous ELB Procurement units that share Centre of Procurement Expertise (CoPE) status has resulted in joint Board tendering operations in over 50 shared contracts with more at the planning stage.
- Most of the planned objectives and associated actions of the ELB Procurement Strategic Plan for Procurement 2004-2006 were implemented.

## **Library Services**

**During 2004/2005 the Library Service will promote creativity and innovation through a range of programmes, events and exhibitions for adults and children.**

- During 2004-5, 1,190 programmes and events, including performances, storytelling, tutorials, workshops, demonstrations and exhibitions, took place in SEELB libraries and were attended by almost 19,000 people.

**During 2004/2005 the Bookstart programme will be maintained in all SEELB libraries.**

- 1,063 children received Bookstart bags, bringing the overall total distributed since 2000 to 4,914. A range of Bookstart Day events was held in libraries – Bookstart Crawl 166 children, 140 Rhymetime sessions. In addition regular Rhymetime sessions have taken place in 4 libraries.

**During 2004/2005 the Education Library Service will meet 95% of requests for support and advice on:**

- New library development
- Induction talks for new school staff
- Information skills handling
- Reader development
- 100% target reached except for induction talks which have been deferred to 2006/2007 due to the pressure of setting up the shared SLS.
- Training for Principals and Vice Principals completed Sept 04 (total 16)

**In May 2004 the Board will provide the 4<sup>th</sup> annual Library Arts and Culture Festival, 'Beyond Words' in all its libraries.**

- In May 2004, the Board provided the 4<sup>th</sup> annual Library Arts and Culture Festival 'Beyond Words' in all its libraries. 30 events took place, including poetry workshops, author visits, talks, a film show and a craft demonstration, and were attended by more than 1,646 people an increase of 312 over the figure for 2003.

**By June 2004 the Library Service will bring forward the ni-libraries.net “Learn @ your Library: Framework document” for adoption by the Board.**

- This was approved by Library and Information Committee on 3<sup>rd</sup> June 2004 and adopted by the Board.

**In November 2004 the Library Service will deliver the annual e-week programme in SEELB libraries.**

- In November 2004 the Library Service delivered the annual e-week programme in SEELB libraries. 27 events took place in 20 libraries (extended to 9 more libraries from 2003), ranging in complexity from sending e-mails and using the internet to web-page design and digital photography. The events were attended by 162 people compared to 24 events with attendances of 128 in total in 2003.

**During 2004/2005 the Library Service will continue to input to, and report to, the DCAL New TSN Plan through the SEELB Library Inclusion Steering Group.**

- Target achieved - Inclusion Steering Group continued to meet and work towards completion of action plan

**During 2004/2005 the Board will deliver its implementation plan for compliance with the Freedom of Information Act 2000.**

- Target delivered with development of policy and procedures for managers and staff, complemented with appropriate management training and awareness to respond to requests for information.

**By March 2005 the Library Service will bring forward a policy on community/minority languages to the Board for adoption.**

- The draft policy was taken to Library and Information Committee (LIC) in June 2004 and was followed by consultation with stakeholders. The final draft will be brought to LIC by March 2006. Collections for the Chinese communities in Bangor and Newtownbreda were launched in those libraries in May 2005.

**During 2004/2005 the Board will bring the PFI project for Lisburn Library to contract and progress the projects for new libraries in Bangor and Newtownards.**

- The PFI contract to provide the new Lisburn City Library was signed in July 2004. This innovative scheme is a partnership between JH Turkington and Sons LTD and the SEELB. Building commenced in August 2004 with completion scheduled for late autumn 2005.
- In December 2004 the Department of Culture, Arts and Leisure (DCAL) approved the Economic Appraisal for a major refurbishment and extension to the Carnegie Library in Bangor. DCAL also announced that capital funding would be provided to procure this work which was the Boards first priority for library capital development after Lisburn Library.
- Clarification of the Economic Appraisal for a new library for Newtownards continued through the year.
- Downpatrick library which had been extensively modernized was relaunched in September 2004.

- Poleglass library transformed to a young adult centre and the library closed after a period of public consultation at the end of January 2005. The staff and services merged with the nearby Colin Glen Library.

**By March 2005 the Board will have completed all disabled access priorities in libraries**

- 12 static Libraries (out of a total of 24) have been upgraded to provide access for people with disabilities.
- The whole public service mobile library vehicle fleet has been upgraded to provide access for people with disabilities

**During November 2004 the Board will host its annual Awards evening to celebrate achievement and will measure uptake by schools and organisations together with positive press coverage.**

- This was successfully planned and delivered and obtained very positive press coverage. The Board's 6<sup>th</sup> Annual Awards evening was held in November in the Whitla Hall, Queen's University Belfast where over 250 pupils, parents, school governors, Principals, Youth Leaders and VIPs enjoyed a great evening of celebration. BBC TV presenter Donna Traynor compered the evening where over 50 awards were presented to young people in the following categories: Academic success, the Arts, Community involvement, Pupil of Courage, Sports and Youth leadership. The purpose of the Annual Awards is to celebrate the achievement and to recognise in a tangible way individual pupils, young youth leaders, schools and youth groups. The event was sponsored by the Department of Education, Fujitsu, Northern Bank, PricewaterhouseCoopers and Translink.

# RESPONDING TO CUSTOMER NEEDS

## Curriculum Services

### Studio ON

The Studio ON Creative Learning Centre was launched on 22<sup>nd</sup> March 2004 by Oscar-winning director of *The English Patient*, Anthony Minghella. In the 2004/2005 year, the establishment and development of the centre has represented a significant step forward in bringing multi-media arts and education together under one roof, drawing on the combined strengths, investment and expertise of the Board and the Nerve Centre, in a unique and unprecedented partnership. It has also represented, in practice, and in direct response to the government's Unlocking Creativity agenda, an acknowledgement and recognition of the true value and importance of creativity in education & learning.

In its first year, Studio ON's core aim has been to strategically target both the Education and Youth sectors across the Board area, offering a variety of programmes including workshops, projects, intensive production units and seasonal training schools. In this opening twelve month period Studio ON has delivered to over 2,000 programme participants, including over 1,600 primary and post primary pupils and 400 teachers and youth workers.

Programme delivery has included:

- 63 x workshops in film, animation, multi-media and digital imaging
- 2 x high profile events including a Media Careers Day and training event in partnership with BBC and the Guardian Edinburgh International Film Festival
- 20 production projects for both schools and youth groups, including an extensive 6 week animation project supported by Lisburn's Island Arts Centre
- 3 x production units
- 2 x media work placements

Specific strategic educational strands which Studio ON has been able to support through these programmes have included among others: Community Relations & Citizenship, Literacy, Dissemination of Good Practice and Raising Achievement (RAP).

The centre has also succeeded in attracting significant investment for its programmes this year from a range of external funding, including £50,000 from the Paul Hamlyn Foundation.

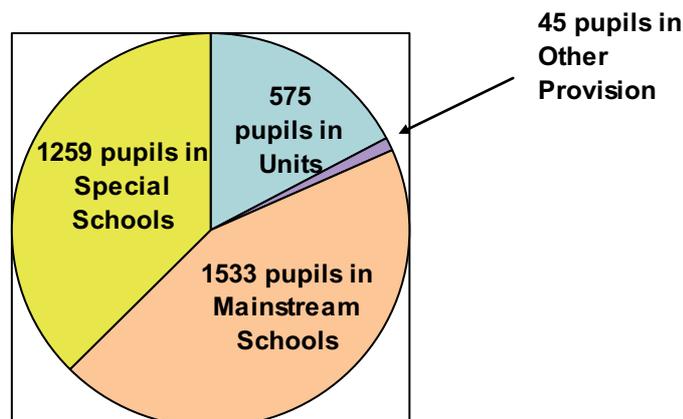
In 2004/2005 Studio ON has also contributed significantly to CCEA's new Moving Image Arts A-Level Qualification, both through its provision of teacher training and guidance resources and also through its ongoing development of the specification itself. This qualification not only actively embraces new digital technologies with the full creative and academic rigour of an Art & Design subject, it is also the first in the UK to operate a fully paperless on-line examination.

### Special Education

The purpose of the Unit is to identify and assess children who may have special educational needs and to arrange requisite support and provision for any child for whom it is considered appropriate to make and maintain a statement of special educational needs. The procedure is carried out in accordance with the Education (NI) Order 1996 and the Code of Practice on the Identification and Assessment of Special Educational Needs.

The Board maintained 3,412 statements of special educational needs on pupils during the year, which represents an increase of 143 statements from the previous year. 419 statutory assessments were undertaken – but disappointingly only 25% of the proposed statements were issued within the statutory timescale (18 weeks).

The Board continues to be committed to place pupils with special educational needs, where appropriate, in mainstream schools.



### **Transfer/Open Enrolment**

This section is responsible for implementing the Board's statutory function in relation to the enrolment of children in pre-school, primary school, transfer of pupils to post-primary school, establishment and administration of Admissions Appeal Tribunals, Expulsion Appeal Tribunals, Curriculum Complaint Tribunals, Expulsions Committee and recording and reporting on suspensions. Figures in relation to the various functions of the service are set out in Appendix 3.

### **Education Welfare Service**

In November 2004, the Northern Ireland Audit Office published its Report on the Education Welfare Service across the five Education and Library Boards. The Report examined what is being done to improve pupils' attendance at school. The team looked specifically at:

- What information is available on pupil attendance and how it is used (Part 1); and
- The effectiveness of action taken to promote school attendance (Part 2).

The Department of Education and the Education Welfare Service has produced a combined action plan to address the recommendations of the Report.

- The Education Welfare Service continues to proactively promote and develop initiatives to encourage regular attendance at school.
- The Education Welfare Service provides direct support for School Aged Mothers through SAM Projects, parents through parenting groups and schools through early intervention in the primary sector with the Primary Attendance Matters (PAM) initiative.
- PAM Projects have produced positive results across the 5 Boards and are currently being rolled out to all schools.

As a follow on from the Education Welfare Inspection Report, each of the 5 Chief Education Welfare Officers Chair a working group, whose membership is drawn from Education Welfare staff across the 5 Education and Library Boards. The Chief Education Welfare Officer of the SEELB chairs the Quality Assurance group, which compiled a Code of Professional Practice for all Education Welfare staff. It is intended that these guiding principles will assist Education Welfare staff by ensuring that their work is underpinned by core values, which promote the welfare of the child and deliver an effective service that takes into account the rights and needs of the child or young person, as well as their family.

## **Educational Psychology Services**

The Psychology Section continues to offer a range of services to children, their parents and schools – from individual assessment of learning difficulties, advice on management of learning and behaviour problems to individual therapeutic counselling. The section offers specialist Psychological support services

- Bereavement/Trauma Counselling Support to schools and individual children and their families;
- Challenging behaviour support service to schools for children with severe learning difficulties.
- Specialist Assessment/Advice Service for children with Autistic Spectrum Disorder (ASD).\*

The Senior (Specialist-ASD) Educational Psychologist has, in conjunction with the Board's Support Service for children with ASD, developed services for pre-school and early years children with ASD. The individual concerned has successfully completed a year's course at Birmingham University in Autism and is currently undertaking specialised training at Trinity College, Dublin with a view to obtaining a high-level qualification in Applied Behaviour Analysis (ABA). This course of study will enable her to qualify as a Board Certified Behaviour Analyst.

The Section has undertaken two major initiatives during the course of this year.

- a) Following a series of consultations with Head Teachers an alternative method of delivering the Psychology Service has been introduced. This involves Psychologists consulting with Head Teachers and SENCOs to agree priorities for assessment etc. Schools have responded positively to this process and preliminary indications are that it will help speed up response to referrals and increase the efficiency of the services being delivered.
- b) A new Educational Management System (EMS) has been introduced to improve the efficiency of record keeping within the Section and to enable information to be obtained quickly for the Board, DE and in response to queries by, for example, MPs and MLAs. With the support of colleagues in IT all Psychologists and Clerical/Admin staff have been trained and the Section has acted as the lead body for all Psychology Services in the province for this project.

## **Youth Service**

Through the Youth Sponsorship Scheme, 479 Statutory/Voluntary Youth Organisations were supported to deliver services to 47,307 young people in the Board area. This represented 44% of young people in the Youth Service age range within the Board area.

## **Administration Services**

### **Human Resources**

Following a Northern Ireland Audit Office report (December 2002), which highlighted concerns regarding the level of sickness absence amongst teaching staff, a major business objective for the HR Unit was the re-launch of the 'Managing Attendance' Policy. As a result the Board ran a number of training sessions for Principals and Managers on the Managing Attendance Policy throughout the year.

The HR Unit provides advice, assistance and support to line managers and principals in the application of attendance procedures. Quarterly reports are published with absence figures for teaching staff and non schools staff. The provision of HR advice on all areas of occupational health issues helps managers and principals to determine the necessity for further interventions including referral to the Occupational Health Advisors, the requirement of specialist treatments, counselling, Risk Assessment etc. During the year partnerships were further developed with external support agencies, e.g. alcohol/drug abuse, debt problems, violence in the home, mental health, cancer screening, and bereavement as well as staff care schemes.

In addition to this, advice was provided on organisational policies and procedures relating to leave arrangements, flexible working, disability issues and ill health retirement

Stress management and employee relations issues frequently presented in the casework of HR officers. To this end the Board put in place a number of training strategies to assist and support staff and management to deal with problems and made available other professional and personal interventions to help people cope with both work and non-work situations.

Additionally, the HR Unit was instrumental in the promotion of health and wellbeing issues and organised several successful campaigns through Chest, Heart and Stroke and Action Cancer on matters relating to health.

The total number of Occupational Health Referrals for the period April 2004 to March 2005 was:

Sickness Absence Referrals	194
Follow-up Review Appointments	48
Pre-employment Health Checks	121
Retirements due to ill health (non-teaching)	47
Retirements due to ill health (teaching)	18

## **Transport**

The Board's Transport Unit continued to provide a front-line service to children within the Board's area, providing assistance with home to school transport for 19,726 pupils.

The Department of Education provided £625,000 additional capital funding to enable the Board to purchase additional minibuses. To date 5 of these minibuses have come into service and over the next financial year the remaining vehicles will be introduced. These vehicles will be operated by part-time drivers and will be introduced to provide a more cost-effective method of transporting children, some of whom are currently being transported by taxis and private bus operators. The Board is in the process of recruiting part-time staff to drive these vehicles.

Since September 2002 all new buses purchased by the Board have been fully fitted with seat belts. This improves the safety of children travelling, but reduces the number that can travel on each bus. Partly as a result of this change, the Board has had to reconsider its policy of concessionary travel. From September 2004 no further concessionary seats were provided for new pupils who would not normally be eligible for transport assistance. The Board has however agreed to permit brothers or sisters of concessionary pupils who are already on the bus to travel until the older child leaves the school provided that there is an available seat. This ensures that each seat for children travelling to school on Board buses is fitted with a seat-belt.

Following the recommendations of the Environment Committee on Home to School Transport the Board awaits a decision from Ministers regarding the outcome of The Department of Regional Development's Economic Appraisal on School Bus Transport.

## Finance Services

### Cleaning Services

The service achieved satisfaction levels of 96.5% recorded monthly across the range of buildings where cleaning is provided under service level agreements. Unsatisfactory levels of service were predominantly due to recruitment difficulties.

### Catering/Hospitality and Caretaking Services

During the 2004/05 year both the Catering/Hospitality and Caretaking staff continued to provide services to meet the needs of the Board, its staff and visitors such as visiting school staff on training courses and other Board staff and organisations. Customer care and value for money within financial and staffing restraints are of high importance in service delivery to all who wish to avail of the services.

The dedication, loyalty and willingness of staff members ensures that services are maintained to as high a level as possible to meet customer needs and satisfaction.

### iFS

SEELB Finance hosts the interBoard Financial System (iFS) support team.

During 2004/05 the Boards' financial information system was expanded to include Order Management. The iFS team also provided support and training to a wide range of users in all five Boards, streamlining the procedures used to manage the calls.

### Procurement

This was another busy year for school extensions, refurbishments and new builds and the Procurement Section advised and assisted schools to source and order all their new furniture and equipment. In addition our staff in Purchasing Stores collected all the surplus equipment to allocate to other schools or safely dispose of it within the law.

The Section routinely advises schools, centres and budget holders on the procurement and financial procedures and increasingly, the public procurement policies that they must comply with.

## Library Service

**During 2004/2005 the Board will measure customer satisfaction levels for the Library Service using the Chartered Institute of Public Finance and Accountancy Public Library User Surveys (CIPFA PLUS).**

During 2004- 05 the Board measured performance against the 4 NI agreed targets:

- 56.3% against a target of 65% of adult library users reporting success in obtaining a specific book (**target affected by poor stock levels and funding**)
- 88.6% against a target of 75% of adult library users reporting success in gaining information as a result of a search or inquiry – **exceeded target**
- 95.2% against a target of 95% adult library users rating the knowledge of staff as 'good' or 'very good' - **exceeded target**

- 96.9% against a target of 95% of adult library users rating the helpfulness of staff as ‘good’ or very good’ – **exceeded target**

**During 2004/2005 the Board will provide a wide range of services as well as opportunities for individual and community development in its libraries**

- During 2004/2005 the Board provided a wide range of services as well as opportunities for individual and community development in its libraries. Programmes and events included internet clinics, “silver surfer” days, talks on local history, genealogy and emigration, and lectures and workshops on subjects as diverse as District Policing Partnerships, minority languages and consumer rights. Cultural programmes such as Beyond Words (annual week long festival of the arts incorporating author visits, drama, poetry readings, musical performances and visual arts exhibitions), Reading groups and yarnspinning.
- The Library Service opened 2 more music centres of excellence its libraries – one in Holywood and one in Colin Glen.
- The Library Service increased Internet Clinic provision for the public in its libraries from 380 in 2003-04 to 490 in 2004-05
- Programmes for children included storytelling, Grid club, Summer Reading Challenge, Reading Gangs, and Class Visits. All branch libraries except one undergoing a major works programme had storytelling. In total 1,200 class visit sessions and 419 storytelling sessions were provided. A smaller number of children registered for the Summer Reading Challenge but a higher number completed it – 57% in summer 2004 compared with 38% in 2004

**During 2004/2005 the Board will seek to:**

**Maintain the previous year’s level of active library membership:**

- active membership fell by 6.01% from 70,341 in 2003/2004 to 66,116 in 2004/05, however the system did not count in those using only the Computers.

**Maintain the number of annual visits to its libraries**

- the number of annual visits increased by 6.67% from 1,370,512 in 2003/4 to 1,461,980 in 2004/2005. Target exceeded.

**Ensure that unplanned closures of branch libraries will be no more than 1% of total published opening hours per year**

- target exceeded – total % closure only 0.19%

**Ensure that unplanned closures of mobile libraries will be no more than 2.5% of total published planned stops per year.**

- target exceeded - total % closure only 0.27%

# **STREAMLINING INTERNAL PROCESSES**

## **Curriculum Services**

### **Youth Service**

To enable Youth Organisations to make optimum use of available resources the Youth Sponsorship Scheme was reviewed and simplified. This resulted in a greater percentage of available finance being paid “up front” to Sponsored Organisations. Youth Council/Forums were developed within each Youth Divisional area to ensure young people had effective input into Youth Section Policy and strategy.

## **Finance Services**

### **Accounts**

In the year of 04/05 Accounts staff processed 121,955 invoices to the value of £88,084,422.39. We also processed 8,664 travel claims to the value of £525,627.41.

Cashiers staff processed £151,861,046.04 income through out the year. £1,372,950.97 related to Debtors.

### **Budgetary Control**

During the 2004/05 year the Budgetary Unit continued to develop procedures to ensure greater budget holder accountability. This was complemented by strengthening relationships with budget holders.

The budgetary unit continues to provide financial information, support and advice to all non-LMS budget holder and sponsoring departments.

## **Catering Services**

### Meals Uptake

The price of the school dinner was increased in August 2004 with Nursery, Primary and Special pupils paying £1.80, Secondary pupils £2.00 and Adults £2.40. Declining school enrolment numbers placed added pressure on the catering service to maintain uptake and operate within budget. While meal numbers fell by approximately 600,000, expenditure was seen to drop by some £700,000 on the previous year's performance.

Where uptake is deemed to be poor, discussion with school principals often lead to the introduction of new services. A number of initiatives were introduced particularly targeting low uptake at dining centres e.g. Lunch Box Specials at St Mary's Comber, main course only provision at Drumaghliis Primary School. A growth in Breakfast Service provision was seen throughout the Board area e.g. St Patrick's High School, Lisburn. Menu provision is reviewed with the children in an effort to ensure anticipated provision. Despite limited facilities, hot meal provision was taken to the Irish school in Castlewellan, which has helped encourage uptake.

### Nutritional Guidelines

A pilot scheme on Nutritional Standards, instigated by the Department of Education and supported by the Health Promotion Agency, was introduced in April 04 incorporating approximately 100 schools across the province. The scheme involved a review of menus and catering practices offered at school level, and was evaluated throughout by Price Waterhouse Coopers, producing a final report in June 2005. The scheme monitored such issues as cost, uptake, wastage, practices currently utilized along with the knowledge and skills of staff. As a result of the pilot and other influencing issues, the Government has made monies available to improve the quality of food on the plate, both at Primary and Post Primary level. The scheme is currently being rolled out in a phased programme to all schools in Northern Ireland.

### Changes to the Service

The Service continues to monitor its performance, looking to more efficient and effective ways of provision. Largely due to staffing issues and falling meal numbers the year saw the temporary closure of Glencraig Primary School with meals transported in from the Bangor area.

Enhancement to the service was provided during the year with the opening of new provision as follows:

- All Children Integrated PS, Newcastle - April 04
- Clifton Special, Bangor - April 04

### **Grounds Maintenance**

SEELB Grounds Maintenance provides a service to 240 customers in the SEELB area. The service is delivered from three Depots located in Newtownards, Downpatrick and Lisburn and a central office in SEELB HQ.

SEELB Grounds Maintenance Service has introduced a number of significant efficiency measures to further improve service delivery and cost effectiveness for customers.

An evaluation of all posts within Grounds Maintenance has been carried out. This process has provided an opportunity to clearly identify skills levels and redefine work teams to achieve a balance so that all customers receive an efficient level of service. The evaluation process has also identified and corrected unacceptable discrepancies in levels of remuneration for staff.

Following agreement by staff and management, significant restructuring of working arrangements has been introduced to allow greater flexibility in meeting the seasonal pressures experienced by the Grounds Maintenance Service. The new arrangements will allow a concentration of skilled staff resources to meet peak demands easier than in previous years.

The Grounds Maintenance Service has introduced a bespoke IT system which links area depots and Headquarters. The system is fully functional in Grounds Maintenance Depots. Operational staff received extensive training in the use of the IT system.

As part of the ongoing training programme for Grounds Maintenance staff all new entrants received induction training. The training programme was carried out by SEELB staff.

### **Payroll**

The Payroll Department of the South Eastern Education and Library Board is responsible for the payment of all non-teaching staff employed in schools, headquarters administrative staff, Board staff employed in branch libraries and library headquarters, grounds maintenance staff, Home tutors, Part-time Youth Workers, Music Tutors, In-service Tutors and Board Members. Payments are made on Weekly, Lunar (4 Weekly) and Monthly payrolls.

In addition, it is responsible for the payment on a monthly basis of all statutory and non-statutory deductions in respect of Income Tax, National Insurance, Pension contributions, and voluntary deductions such as trade unions subscriptions, Give As You Earn subscriptions etc.

It is also responsible for the submission on an annual basis of the Board's statutory returns for Income Tax, National Insurance and Pension contributions.

During 2004/2005 the Payroll Department achieved:

- The payment of 8,401 individual employees engaged in over 12,400 individual posts.
- Increasing the number of individual employees paid by BACS to over 95% of all payments made.
- The final weekly payment was made in July 2004. All employees previously paid on a weekly payroll cycle were transferred to 4-weekly (lunar) payments in July 2004.
- Successful negotiation with staff representatives to transfer school based non-teaching staff paid on monthly payroll to payment on 4-weekly (lunar) payroll. This transfer took place in May 2005.
- The introduction of monthly composite e-mailed returns to the NILGOSC pension committee, notifying individual employee updates required for accurate pension records.

## **Procurement**

The ELBCat website continued to give schools and centres secure fast, user friendly access to information about what's on contract, from whom and at what price. The site features well over 6,000 products from more than 400 suppliers, with web links to selected supplier sites and general purchasing advice. From May 2005 a planned enhancement to the site will enable users to not only source items but also to be able to create electronic requisitions and submit these to their ELB for processing. It is envisaged this will free up time of Procurement staff currently doing order processing for more added value tasks.

The Education CoPE, acting as lead buyer for all the NI public sector, set up a province-wide contract for copier paper. This has produced much-reduced prices and is a good example of the financial benefits of collaboration.

## **Library Service**

**During 2004/2005 the Board will contribute to the development of the 5 Board NI-Libraries portal website to assist access to library services and information, learning and cultural sources.**

- The Board continued to work with the service provider and the other 4 Education and Library Boards in developing the library portal.
- A total of 253,900 sessions on Public Access PCs in SEELB libraries were recorded in 2004-05. This new system of recording should provide year on year figures in future.

**During 2004/2005 the Board's Library Service will continue its partnerships with local councils and other arts/culture organisations in providing information, culture and learning programmes.**

- Target achieved - Castlereagh Borough Council and Down District Council partnerships maintained and other partnerships identified and developed. Also the longstanding partnerships with the Arts Council and the Belfast Festival at Queens were further developed.

# PROMOTING ORGANISATIONAL LEARNING AND GROWTH

## Curriculum Services

### Youth Service

The development of community support remained an ongoing priority for the Youth Section and a range of training opportunities were made available to both professional staff and volunteers.

During the year 48 Part time Youth Leaders obtained the Northern Ireland Open College Network Certificate in:-

- “Introduction to Youth Work”
- “Introduction to Community Relations Work”
- “Equity, Diversity and Interdependence/Community Relations for Youth Work Practitioners”
- 43 Part time Youth Leaders and Teachers received Hill walking Certificates.

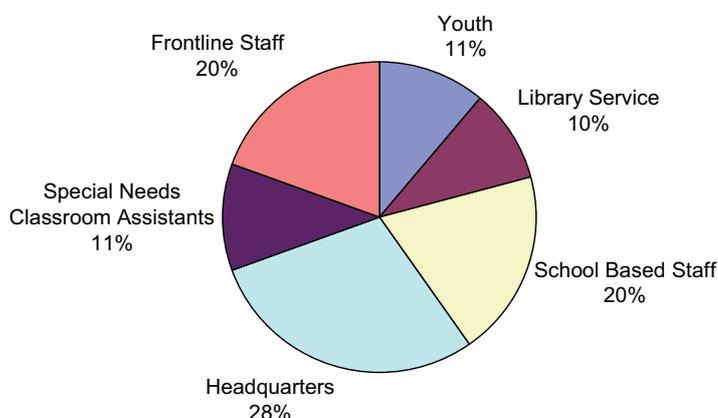
During the year, 5,800 volunteers provided a total of 84,500 voluntary hour’s service to Youth Organisations.

## Administration Services

### Learning & Development

The Board has continued to create a wide range of opportunities for non-teaching staff to address both their personal and professional development needs. The majority of corporate and role specific needs have been met through in-house training delivery and cascade training. Whilst much of this training is generic, more occupationally specific skills and knowledge based training has been delivered within services such as Youth, Library Service and CASS. The highly acclaimed in-house Behaviour Management Programme was again delivered as a summer programme offering places to 60 Classroom Assistants. Throughout the year, a total of 66 staff participated in accredited programmes through the Post Entry Study Scheme, and 116 staff attended short courses and conferences.

Post Entry Study Scheme



The provision of European Computer Driving License Training (ECDL) which had proven so successful last year, continued into the autumn of 2004 with a further 28 Headquarters staff achieving the qualification.

Some examples of role specific training delivered include:

- Construction Skills Register training for 29 Property Services staff;
- fire safety training for 20 staff with Health & Safety responsibilities;
- The Suzy Lamplugh Trust Tutor Training programme for a small group of staff from Education Welfare, Education Psychology and the Library Service, preparing participants to deliver personal safety training within their Units; and
- 'Educator' Training addressing both training for trainers and the skills of supporting others in the use of ICT for Library Service staff

In-house seminars and information sessions have been ongoing, and in some cases have built on work begun last year. In total, more than 300 staff have attended events addressing Data Protection, Freedom of Information Legislation (FOI), Recruitment & Selection Code of Procedures, Managing Attendance, and Pension Scheme Awareness. FOI support has also been made available to all staff by means of an interactive desktop learning programme designed by FOI staff within Corporate ICT.

### **Learning Support**

The Learning Support Unit (which is responsible for the development needs of non-teaching former blue collar staff) continued to encourage staff to participate in training being offered. Many front line staff are non traditional learners and may not actively seek opportunities for development. The unit was greatly assisted by the support of the managers responsible for the services involved (transport, school meals, cleaning and grounds maintenance).

Out of a total of 3,365 front line staff, 455 received training (approx 14%).

Priority was again given to the continued expansion of essential skills development offered through local Colleges of Further Education. 109 front line staff took part in the 18 week Communication and IT at work programmes and achieved recognised certificates in essential skills and information technology from City and Guilds and the Open College Network.

82 catering staff from schools throughout the Boards area participated successfully in an ILM introduction to Team Leading which was offered by the Regional Training Unit.

A further 44 building supervisors took part in the 8 day Board programme which has been run on a termly basis for several years.

Some other areas of development included programmes of intermediate hygiene, behaviour management for bus escorts, certificate of competence in chain saw, NVQ 2 in amenity horticulture and school crossing patrol training.

An award ceremony was held at Board Headquarters in May 2005 to present certificates and congratulations to all of the staff who had successfully completed programmes of learning.

## **Finance Services**

### **Catering Services**

Despite financial constraints, training and individual development remains important within the Service. The year saw the Service:

- Taking an active role in the inter-Board Salon Culinaire competition organised through NISCA (Northern Ireland School Catering Association) and sponsored by the Livestock and Meat Commission (LMC). Ruth Martin of Clough Primary School, near Newcastle, was winner of the South Eastern Board heat. In the final held in Newry, Ruth was runner up in the competition.
- Congratulating its Kitchen Supervisors on the successful completion of the Leadership Programme organised by the Regional Training Unit. A presentation of certificates was held for staff at the David Lloyd Centre with Gerry Kelly presenting.
- Introducing the opportunity for Supervisors to take an active role in contributing towards the marketing and development of the Service e.g. promotional leaflet production, website design. The work remains in its infancy and will continue through the forthcoming year.
- To assist with the implementation of Nutritional Standards, nutrition courses were organised as follows:
  - Foundation Nutrition Course tutor from Scotland, Dr M Sommerville , provided the one day course to Supervisors, whose schools were involved in the pilot
  - Intermediate Nutrition provided as above over 2.5 days to Catering Managers, Area Managers and some Area Supervisors.
- Despite financial restrictions, the service continued to place emphasis on personal development and to provide in-house training as follows:
  - Basic Hygiene
  - Manual Handling
  - Customer Care
  - Cook's Skill
- May 2004 saw the results of the School Canteen Person of the Year announced. This is an inter-Board competition run by the Northern Ireland School Caterers Association (NISCA) and sponsored by Coca Cola. Children nominate their favourite Canteen person and identify why. Each Board has a winner identified, and this year's winner from the SEELB was Mrs Fiona McBurney, acting Supervisor at West Winds PS. The canteen person, the school principal and the nominating pupil enjoy a day out at Coca Cola Ltd in Lisburn.

### **Cleaning Services**

Fourteen members of cleaning staff successfully completed courses in Communication and IT in the workplace organised by the SEELB through Institutes of Further and High Education. Certificates were presented in May 2005.

### **Catering/Hospitality and Caretaking Services**

Training is essential within the services to ensure staff are each given opportunities to develop their necessary skills and meet Health and Safety Requirements.

Training is ongoing both internally and externally.

The following courses were completed during the year.

- Basic fire awareness training
- Basic first aid training
- Risk assessment
- Foundation Degree Course – Hospitality/Tourism

Staff enjoyed an afternoon presentation to receive their certificates.

### **Procurement**

ELB Procurement Officers worked hard to ensure that the Education CoPE played a full part in delivering the NI Procurement Board's plan by contributing to the various working groups and implementing various policies.

As we look to 2005/6 we expect 4 things to dominate procurement agenda - the assessment of the CoPE status by the Central Procurement Directorate (CPD), the release of the new software for ELBCat to enable requisitions to be sent from schools to the Board, a Procurement Customer Survey – planned for the Autumn of 2005 and the new EU Public Procurement Directives.

## **APPENDICES**

- Appendix 1: SEELB Key Stage, GCSE and GCE Performance**
- Appendix 2: Home to School Transport**
- Appendix 3: Transfer/Open Enrolment**
- Appendix 4: Recruitment**
- Appendix 5: Equal Opportunities Monitoring Returns**
- Appendix 6: Claims and Legal Administration Unit**

## SEELB KEY STAGE, GCSE AND GCE PERFORMANCE

	<u>2002-2003</u>	<u>2003-2004</u>
	%	%
<b><u>Key Stage Assessments<sup>1</sup>:</u></b>		
Key Stage 1 Level 2+ English (%)	96.0	Not available <sup>2</sup>
Key Stage 1 Level 2+ Maths (%)	96.1	Not available <sup>2</sup>
Key Stage 2 Level 4+ English (%)	78.1	Not available <sup>2</sup>
Key Stage 2 Level 4+ Maths (%)	80.6	Not available <sup>2</sup>
Key Stage 3 Level 5+ English (%)	72.1	71.9
Key Stage 3 Level 5+ Maths (%)	69.0	71.6
Key Stage 3 Level 5+ Science (%)	67.1	68.7
<b><u>GCSE and A Level Achievements:</u></b>		
GCSE 5 A*-C (Secondary) (%)	35.1	35.1
GCSE 5 A*-C (Grammar) (%)	96.7	96.1
GCSE 5+ A*-C (Secondary & Grammar) (%)	56.2	55.4
GCE A Level 3+ A-C (Grammar) (%)	65.5	66.4
GCE A Level 2+ A-E (Grammar) (%)	97.4	98.8

<sup>1</sup> Key Stage Assessments - Excludes Special and Independent schools

<sup>2</sup> Due to industrial action Key Stage 1 and 2 assessment results for 2003/04 are unavailable. Key Stage 3 results were unavailable for a small number of schools.

## HOME TO SCHOOL TRANSPORT

<b><u>No. Pupils Transported</u></b>	<b><u>2003/04</u></b>	<b><u>2004/05</u></b>
Board Bus	2,461	2,680
Public Transport	15,660	15,223
Taxis	1,131	1,130
Private Operators	636	493
Private Hire of Public Transport	306	386
Ferry	115	103
Other	1,044	1,028
<b>Total</b>	<b>21,353</b>	<b>21,043</b>

<b><u>Cost of Service</u></b>	<b><u>2003/04</u></b>	<b><u>2004/05</u></b>
Board Bus	£3,058,506	£2,927,321
Public Transport	£5,989,510	£6,930,471
Taxis	£2,645,990	£2,216,358
Private Operators	£625,413	£1,080,049
Private Hire of Public Transport	£67,389	£118,978
Ferry	£10,395	£12,969
Other	£252,539	£244,713
<b>Total</b>	<b>£12,649,742</b>	<b>£13,530,859</b>

## TRANSFER/OPEN ENROLMENT

	<u>2003/04</u>			<u>2004/05</u>
<b><u>Pre-School Admissions</u></b> (as at 31.3.04)				
Children Admitted	2,796*			4,085
Underage Admitted	405			476
Appeals	2			4
*Nursery schools/units only, excludes private/voluntary providers				
 <b><u>Primary 1 Admissions</u></b>				
Children Admitted	4,780			4,432
Underage Admitted (reception)	260			229
Appeals	4			0
 <b><u>Transfer Test</u></b>				
Entered for Test	3,594			3,538
Opted Out	1,016			960
 <b><u>Year 8 Admissions</u></b>				
Children Admitted	4,460			4,167
Unplaced (as at September 04)	0			0
Appeals	97			43
 <b><u>Suspensions</u></b>				
		<u>No. Days</u>		<u>No. Days</u>
Primary	34	133	71	267
Special	78	290	86	308
Post Primary	1,552	5,326	1,464	5,029
 <b><u>Expulsions</u></b>				
Primary	0			1
Special	0			0
Post Primary	12			9
 <b><u>Expulsion Appeals</u></b>				
Primary	0			1
Special	0			0
Post Primary	0			2

## RECRUITMENT

<b><u>Recruitment – Non Teaching</u></b>	<b><u>2004/05</u></b>
Non-Teaching Posts Advertised	502
Applications Received	6,965
Appointments Made	400
Temporary Appointments	44
No Appointments	58
<b><u>Recruitment – Teaching</u></b>	<b><u>2004/2005</u></b>
Teaching Posts Advertised	151
Applications Received	2,883
Appointments to Principal Posts	4
Appointments to Teaching Posts	143
Teaching Staff Promotions	53
Temporary Promotions / Acting Appointments	40
Temporary and Part-time Teaching Appointments	16

## EQUAL OPPORTUNITIES

(Monitoring Returns Made on Calendar Year Basis – 2004)

	<u>2004</u>
Total Non-Teaching Applicants Monitored	3,082
Posts	572
Average number of applicants per post	5:1
Total Teaching Applicants Monitored	3,123
Posts	217
Average number of applications per post	14:1
Ongoing Complaints	8
Complaints Settled	9
Legal Fees	£29,958.18

## CLAIMS AND LEGAL ADMINISTRATION UNIT

	<u>2004/2005</u>
<b>Cost of Service</b>	£108,920
<b><u>Claims</u></b>	
Number of liability claims investigated	43
Value of liability claims rejected	£98,000
Value of successful liability claims	£15,700
Value of liability claims outstanding	£327,000
<b><u>Debt Recovery</u></b>	
Number of new cases referred	55
Value of new Debts referred	£35,101
Value of Debts recovered/arranged	£6,442
<b><u>Car Loans/Leases</u></b>	
Number of loan applications processed	7
Number of lease quotations given	4
Number of leases processed	1
<b><u>Educational Visits</u></b>	
Number of visit applications processed	722

# ANNUAL ACCOUNTS FOR YEAR ENDED 31 MARCH 2005

## FOREWORD TO THE ACCOUNTS

### 1 Background Information

The South Eastern Education and Library Board (hereinafter referred to as ‘the Board’) is an executive non-departmental public body sponsored by the Department of Education, Department of Culture, Arts and Leisure and the Department for Employment and Learning. The Board’s principal functions are the provision of education, library and youth services to the District Council areas of Ards, Castlereagh, Down, Lisburn and North Down.

These accounts have been prepared in a form directed by the Departments with the consent of the Department of Finance and Personnel in accordance with Article 12 of the Education and Libraries (N.I.) Order 2003. (A copy of the Accounts Direction can be found at Annex A.)

### 2 Brief History

#### *Business Review*

The Board produces an Annual Report of its activities and a full report is contained therein.

#### *Results for the Year*

The results for the year of the Board are set out in detail on page 49. The deficit for the year was £25,525,000 after charging notional costs of £19,260,000.

#### *Fixed Assets*

Details of the movement of fixed assets are set out in note 12 to the accounts.

The Board does not believe that there is any material difference between the market and book values of its land and buildings.

### 3 Future Developments

During the financial year 2005/06, the Board plans to:

- 1 Complete the building of Saintfield High School, Ballyholme Primary School, Dundonald Primary School, Newtownards Model Primary School and the new Downshire Primary School, Hillsborough, Cumran Primary School, Clough, Kilmaine Primary School and the Phase 2 extension and refurbishment at Regent House;
- 2 Complete economic appraisals for capital development at Ballywalter Primary School, Ballynahinch Primary School, Killinchy Primary School, Spa Primary School and Killard House Special School;
- 3 Continue the PFI process for the new Comber High School and the new Bangor Academy and Sixth Form College;
- 4 Complete an Economic appraisal for the capital development of static library provision in Castlereagh;
- 5 Complete Strategic Reviews of provision in the Castlereagh, Dunmurry, Lisburn, Bangor and North East Ards areas;
- 6 Continue the PFI process for the new Lisburn Library;

- 7 Continue the internal review of the Public Library Service;
- 8 Continue the PFI process for Tor Bank Special School and Lagan College;
- 9 Start the building of the new East Lisburn Primary School, Ballinderry Primary School, Brookfield Special School and Bangor Library;
- 10 Facilitate the development of Controlled Integrated Schools;
- 11 Implement the condition survey programme for Board properties;
- 12 Implement further training programmes for Boards of Governors;
- 13 Submit and implement the statutory INSET Scheme and programme;
- 14 Support Schools in the School Improvement Programme;
- 15 Continue the review of systems for:
  - the monitoring of employment and recruitment practices within the Board; and
  - the training of Board staff and members; and
  - ensuring members of School Boards of Governors meet the requirements of Fair Employment and Equal Opportunities legislation;
- 16 Maintain the Health and Safety Standards throughout all the Board locations;
- 17 Continue implementing the Government's Eco Energy Strategy to ensure energy efficiency and reduce Greenhouse Gas Emissions in line with the Kyoto Agreement;
- 18 Upgrade the operational capabilities of the new computerised financial accounting system to facilitate the developing requirements of resource accounting;
- 19 Continue to implement the Board's Strategic Capital Development Plan (2004-2009);
- 20 Develop shared services with other Boards;
- 21 Assist with the implementation of the Special Needs and Disability Order.

#### **4 Important Events occurring after the Year End**

There have been no significant events since the year end, which would affect these accounts.

#### **5 Charitable Donations**

During the year the Board made no donations for charitable or political purposes.

#### **6 Board Members**

The following served as Board Members:

**1 April 2004 – 31 March 2005:**

Councillor R Gibson

*(Chairman)*

Mr R J McFerran

*(Vice Chairman)*

Mr I L G Arbuthnot

Rev Dr J P O Barry

Rev C W Bell

An Comhairleoir Pol de Buitleir

Mr D Cahill

Councillor C Calvert

Mrs J Campbell

*(Resigned 24 June 2004)*

Mr J L Colgan

Councillor Mrs M Craig

Mr S I Davidson

Councillor G N Douglas  
Councillor Mrs R M Dunlop  
Alderman G Ennis  
Mr M P Flanagan  
Mrs F A Gault  
Rev G N Haire  
Alderman C Hall  
Mr R A Jones  
Mrs M M McGoran  
Miss M M McHenry  
Dr R Montgomery  
Mr D G Mullan  
Councillor J Norris  
Councillor Mrs C O'Boyle  
Mrs E M Robinson  
Rev Dr R A Russell  
Councillor Mrs M Smith  
Mr J D Uprichard  
Councillor W M Ward  
Councillor W G Watson  
Rev Dr D J Watts  
Ms J Williams  
Councillor Mrs A Wilson

Between the end of the financial year and the date on which these accounts were approved the following changes took place to the composition of the Board:

All the public representatives from the Local Councils ceased to be members of the Board on 9 May 2005:

An Comhairleoir Pol de Buitléir  
Councillor C Calvert  
Councillor Mrs M Craig  
Councillor G N Douglas  
Councillor Mrs R M Dunlop  
Alderman G Ennis  
Councillor R Gibson  
Alderman C Hall  
Councillor J Norris  
Councillor Mrs C O'Boyle  
Councillor Mrs M Smith

Councillor W M Ward  
Councillor W G Watson  
Councillor Mrs A Wilson

Mr R J McFerran became acting Chairman on the 9 May 2005 when Councillor R Gibson ceased to be a member of the Board.

## 7 Disabled Employees

The Board actively encourages applications for employment from disabled persons where the requirements of the job may be adequately performed by a disabled person.

Where existing employees become disabled it is the Board's policy wherever possible to provide continuous employment under normal terms and conditions and to provide training and career development and promotion where appropriate.

## 8 Payments to Suppliers

### *Public Sector Payment Policy – Measure of compliance:*

The Government requires that the Board pays its trade creditors in accordance with the Better Payment Practice Code and Government Accounting Rules. The Board's payment policy is consistent with the Better Payment Practice Code and Government Accounting Rules and unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. The measure of compliance is:

	Based on Invoice Date		Based on Date Invoice Received	
	Number	£000	Number	£000
Total bills paid	139,825	106,574	139,825	106,574
Total bills paid within target	73,617	85,195	99,125	78,084
% of bills paid within target 2005		52.7%	70.9%	
% of bills paid within target 2004		56.4%	70.6%	

## 9 Employee Involvement

During the year the policy of providing employees with information about the Board has been continued through regular distribution of circulars. Regular meetings are held between staff at different levels to allow a free flow of information and ideas. Team Briefing has continued to improve communication to employees within the Board.

## 10 Company Directorships and Other Significant Interests

A register of members' interests is available and can be inspected on application to the Chief Executive's office.

## 11 Auditor Details

The Principal Auditor is the Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU.

<b>COST OF AUDIT</b>	<b>£</b>
Audit Services (notional cost)	37,000
Further Assurance Services	-
Tax Services	-
Other Services	-
	<hr/> <hr/>

The services provided relate to the statutory audit of the financial statements.

There were no non-audit services provided by the Principal Auditor.

Chairman: Rev G N Haire

Date: 1 June 2006

Chief Executive: I M Knox

Date: 1 June 2006

## **STATEMENT OF THE BOARD AND CHIEF EXECUTIVE'S RESPONSIBILITIES**

Under Article 12 of the Education and Libraries (N.I.) Order 2003 the Board is required to prepare a statement of account in the form and on the basis directed by the Departments with the consent of the Department of Finance and Personnel.

The accounts are prepared on an accruals basis and must give a true and fair view of the Board's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Board is required to:

- Observe the Accounts Direction issued by the Departments including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Board will continue in operation.

The Accounting Officers of the Departments have designated the Chief Executive of the Board as the Accounting Officer for the Board. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, as set out in the non-departmental public bodies Accounting Officers Memorandum, issued by the Department of Finance and Personnel.

***IM Knox***  
***Accounting Officer***

***Date: 1 June 2006***

## **STATEMENT OF INTERNAL CONTROL**

### **1. Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Board policies, aims and objectives, while safeguarding the public funds and the Board's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

I provide assurance in respect of expenditure incurred by the Board on programmes and schemes funded by the Department for Employment and Learning and in respect of the Board's adjudication on entitlement to student loans and awards. In addition, audit certifications have been issued as required in respect of entitlement to student loans and awards.

As Accounting Officer I have responsibility for reporting to three departments, the Department of Education, the Department of Culture Arts and Leisure and the Department for Employment and Learning. I meet with the permanent secretary of the Department for Education twice a year to review accountability issues. I meet an officer of the Department of Culture, Arts and Leisure annually to review accountability issues. On these occasions I normally accompany the Chairman of the Board.

### **2. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:-

- identify and prioritise the risks to the achievement of Board policies, aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2005 and up to the date of approval of the Annual Report and Accounts, and accords with DFP guidance.

### **3. Capacity to Handle Risk**

Leadership has been given to the risk management process by senior management ensuring that all service managers review and evaluate their key risks and controls on a regular basis.

The Board has a Risk Management Policy which was developed by the Audit Committee and is endorsed by the Chief Executive and the Board. This document specifies the risk management process within the Board and sets out the roles and responsibilities of officers and members.

Risk management has been an important feature at a number of management training seminars organised to keep managers aware of current best practice. Internal Audit have provided assistance and written guidance to all service managers concerning the evaluation of risks and the completion of the required documentation.

#### **4. The Risk and Control Framework**

The Risk Management policy for the SEELB details a formal process for identifying, assessing, managing and monitoring risks faced by the Board, including a prioritisation methodology based on ranking of impact and likelihood.

Each service manager is responsible for;

- identifying risks for their service;
- evaluating these risks in terms of impact and likelihood; and
- establishing an adequate control mechanism, commensurate with the perceived level of risk.

This information is forwarded to the relevant Strategic Unit Manager who determines whether the relationship between risk and control is appropriate. These risks are then incorporated into the strategic unit's risk register.

Risk management is also a feature within the corporate and service development planning process. The senior management team have considered the Board's objectives as detailed in the corporate plan and from these have identified corporate risks. Service managers, when completing their annual service development plan, consider the risk impact of any proposed actions.

The SEELB adopts a low risk appetite when factors such as health and safety, delivery of major projects, government targets, budgetary control and fraud are involved.

#### **5. Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee. I have also taken account of the findings and recommendations of the Jack Inquiry and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board via the Audit Committee receives periodic reports concerning internal control. There are a minimum of four Audit Committee meetings a year. Representatives of the Northern Ireland Audit Office (NIAO) also attend the meetings and outline for the Committee the main findings and recommendations from their audits of the annual accounts and value for money reviews. The Board has an Internal Audit unit, which operates to the Government Internal Audit Standards defined by HM Treasury. Internal Audit submits regular reports to the Audit Committee, including the head of internal audit's opinion on the adequacy and effectiveness of the Board's system of internal control.

## 6. Significant Internal Control Problems

A Statutory inquiry into the Board's financial management was initiated by the Department of Education following a reported deficit in the Board's annual accounts for 2003/04. The resultant review made recommendations for improvement over financial management and budgetary control. An action plan incorporating the recommendations has been developed and is currently being implemented within the Board.

To further enhance the control framework the Board will:-

1. review and strengthen financial reporting and budgetary control processes;
2. refine the system of key performance monitoring;
3. work with Board members to develop their challenge function, and;
4. update the Board's corporate risk register.

### Principal and Vice Principal Pay Flexibility

During 2003/04 a review of principals' and vice principals' pay flexibilities identified a number of control weaknesses. The Chief Executives of the five Boards agreed a revised control framework which was forwarded to the Department of Education (DE) which is responsible for the payment of teachers' salaries. To date the concerns expressed by the Chief Executives have not been addressed.

### Teachers Payroll Branch

An audit by DE internal audit on the Teachers Payroll Branch has identified a number of concerns which mean they are unable to provide the SEELB with a level of assurance that would be considered reasonable given the importance of this system.

### Board Financial System

The lack of integration between the Board's financial systems and the schools CLASS system, makes the timely collection of schools' accruals information in year very difficult. This is exacerbated by the Board's own computerised financial systems, which do not easily facilitate in-year completion of accounts on an accruals basis. This can have a significant impact on financial monitoring and the ability to report on an accruals basis other than at year end. Therefore there may be an increased risk of budget overspend due to in-year revenue budget monitoring on the basis of cash expenditure adjusted for significant known accruals e.g. job evaluation arrears, pay awards outstanding.

### Initial Allocation

The current timescale for informing Boards of their initial allocation, creates difficulty in ensuring that corporate planning priorities adequately reflect the actual resources available to the Board. Therefore remedial action to address any shortfall may not be taken on a timely basis. In addition, the lateness of allocations means accurate budgetary information cannot be uploaded and made available to service managers in time for the start of the new year. Obviously, timely and accurate financial reporting is a key factor in allowing managers to monitor and control their budgets effectively. The delay of initial allocations and the budgetary complexity, caused by the quantum of in-year earmarked initiative funds, increases the risk of managers overspending their budgets on the basis of incomplete information.

The Chief Finance Officers have proposed that the departments establish a Financial Planning Forum with Boards to ensure appropriate awareness of the financial resources likely to be made available and the consequences on planning priorities.

### Annual Accounts

Since the introduction of accruals accounting there has been a very long gap between the preparation of the annual accounts and the issue of the management letter. This has reduced the effectiveness of the Annual Accounts as a source of information and control.

### Maintenance Programme

Because of financial constraints and the prioritisation of statutory obligations the Board was unable to complete its planned property maintenance programme in 2004/2005. This situation will continue in 2005/2006 potentially creating a crisis in emergency/response maintenance in future years.

### NILGOSC Pension fund

The Boards' non teaching employees belong to the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). The latest actuarial valuation at 31 March 2004 identified a past service deficit of £392m and even though employer contribution rates will increase from the current level of 4.6% to 13% in 2007/08 these will not recover any part of the deficit. Its recovery is therefore delayed until the next three year period from 1 April 2008 when a target rate of 17.3% is currently anticipated but will be recalculated and confirmed at the next valuation. (See note 22 of these Accounts).

***IM Knox***  
***Accounting Officer***

***Date: 1 June 2006***

## **The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements on pages 49 to 79 under the Education and Libraries (NI) Order 2003. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 53 to 58.

### **RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND AUDITORS**

As described on page 42, the Board and Chief Executive are responsible for the preparation of the financial statements in accordance with the Education and Libraries (NI) Order 2003 and the Department of Education's directions made thereunder and for ensuring the regularity of financial transactions. The Board and Chief Executive are also responsible for the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Education and Libraries (NI) Order 2003 and the Department of Education's directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Annual Report is not consistent with the financial statements, if the Board has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 43 to 46 reflects the Board's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

### **BASIS OF OPINION**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities

which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

As disclosed in notes 5 and 35 to the accounts the Board's expenditure exceeded the resource allocation plan approved by the Department of Education by £4.503 million. Under Article 10(5) of the Education and Libraries (Northern Ireland) Order 2003 the Board may not use resources otherwise than in accordance with an approved resource allocation plan. Accordingly I have concluded that the £4.503 million of expenditure in excess of the resource allocation plan approved by the Department of Education is not in conformity with the authorities which govern it.

### **Unqualified opinion on the presentation of the financial statements and qualified opinion on the regularity of expenditure**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the South Eastern Education and Library Board as at 31 March 2005 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Education and Libraries (NI) Order 2003 and directions made thereunder by the Department of Education; and
- except for the £4.503 million of expenditure in excess of the approved resource allocation plan approved by the Department of Education referred to above, in all material respects the expenditure and income have been applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Report**

#### Use of resources otherwise than in accordance with an approved resource allocation plan

The amount of net overspending on resource allocation plans approved by the Department of Education is disclosed at notes 5 and 35 to the Board's accounts. Under Article 10(5) of the Education and Libraries (Northern Ireland) Order 2003 the Board may not use resources otherwise than in accordance with an approved resource allocation plan. Accordingly I have concluded that the £4.503 million of expenditure in excess of the resource allocation plan approved by the Department of Education for 2004-05 is not in conformity with the authorities which govern it.

#### Financial out-turns for schools and the Board's centre

At 31 March 2005, the Board's cumulative net overspend overall was £9.656 million. This comprises a cumulative schools' surplus of £11.968 million and a cumulative centre deficit of £21.624 million.

#### General Report: Financial Auditing and Reporting, 2004-05

I have reported separately on delays in finalising Education and Library Board accounts, financial control in Boards, and related matters, in my General Report: Financial Auditing and Reporting, 2004-05 (HC 1199).

**J M Dowdall CB**  
**Comptroller and Auditor General**  
**2006**

**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT17 1EU**

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

<b>Income</b>	<b>Notes</b>	<b>2005 £000</b>	<b>2004 £000</b>
Grant from Departments	2	241,564	239,715
Other grant income	3	159	495
Other operating income	4	8,010	7,156
<b>Total Income</b>		<u><b>249,733</b></u>	<u><b>247,366</b></u>
<b>Expenditure</b>			
Staff costs	6 & 7	192,806	185,269
Depreciation	12	7,674	7,563
Other operating expenses	8 & 11	55,518	60,677
Notional costs	9	19,260	17,596
<b>Total Expenditure</b>		<u><b>275,258</b></u>	<u><b>271,105</b></u>
<b>Deficit for the year</b>		<b>(25,525)</b>	<b>(23,739)</b>
Credit in respect of notional costs	9	<u>19,260</u>	<u>17,596</u>
<b>Amount Transferred to Reserves</b>	20	<u><b>(6,265)</b></u>	<u><b>(6,143)</b></u>

All amounts above relate to continuing activities.

The notes on pages 53 to 79 form part of these accounts.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED  
31 MARCH 2005**

	<b>Notes</b>	<b>2005 £000</b>	<b>2004 £000</b>
<b>Deficit for the year</b>		(25,525)	(23,739)
Net surplus on revaluation of fixed assets	12 & 21	62,735	33,946
Backlog Depreciation	12 & 21	(3,592)	(2,227)
<b>Total recognised gains for the year</b>		<u>33,618</u>	<u>7,980</u>

The notes on pages 53 to 79 form part of these accounts.

## BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £ 000	2004 £000
<b>Fixed Assets</b>			
Tangible Assets	12	594,528	518,288
<b>Current Assets</b>			
Stocks	13	195	203
Debtors	14	9,126	13,115
Cash at bank and in hand	23(v)	296	-
		<u>9,617</u>	<u>13,318</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	15	<u>21,593</u>	<u>21,483</u>
<b>Net Current (Liabilities)</b>		<b>(11,976)</b>	<b>(8,165)</b>
<b>Total Assets less Current Liabilities</b>		<u><b>582,552</b></u>	<u><b>510,123</b></u>
Creditors: amounts falling due after more than one year	16	1,141	-
Provisions for Liabilities and Charges	18	3,989	3,600
Deferred Income	19	1,423	1,208
<b>Net Assets</b>		<u><u><b>575,999</b></u></u>	<u><u><b>505,315</b></u></u>
<b>Reserves</b>			
Income and Expenditure Reserve	20	(27,296)	(21,594)
Other Reserves	21	603,295	526,909
		<u><u><b>575,999</b></u></u>	<u><u><b>505,315</b></u></u>

The Financial Statements on page 49-79 were approved by the Board on 01 June 2006 and were signed on its behalf by:

Chairman: Rev G N Haire Date: 1 June 2006

Chief Executive: I M Knox Date: 1 June 2006

The notes on pages 53 to 79 form part of these accounts.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £000	2004 £000
Net cash (outflow)/inflow from operating activities	23 (i)	(1,247)	10
Returns on investments and servicing of finance	23 (ii)	(18)	(11)
Capital expenditure and financial investment	23 (iii)	<u>2,393</u>	<u>(1,750)</u>
Net cash inflow/(outflow) before financing		1,128	(1,751)
Financing	23 (iv)	12	37
<b>Increase/(Decrease) in Net Cash</b>		<u><u>1,140</u></u>	<u><u>(1,714)</u></u>

The notes on pages 53 to 79 form part of these accounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### STATEMENT OF ACCOUNTING POLICIES

#### **1.1 *Accounting Convention***

These financial statements have been prepared in accordance with the Accounts Direction issued by the Departments on 22 July 2004 and in accordance with applicable Accounting Standards under the modified historic cost convention.

Without limiting the information given the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, insofar as those requirements are appropriate.

#### **1.2 *Recognition of Income***

The final approved resource allocations (recurrent) from the Department of Education are included in the income and expenditure account to the extent of matching the relevant expenditure incurred during the period. Where expenditure incurred exceeds cash received a Departmental debtor is created. Where expenditure incurred is less than the final approved resource allocation (recurrent) a funding commitment is disclosed. However, reference should be made to note 5 for further detail.

The annual recurrent allocations from the Department for Employment and Learning, Department of Culture, Arts and Leisure and the Department of Health and Social Services and Public Safety are intended to meet recurrent costs, which are credited to the income and expenditure account.

Grants from other bodies received for specific purposes, that are restricted income, are included in the income and expenditure account to the extent of matching the relevant expenditure incurred during the period. Restricted income received but not matched to relevant expenditure during the period is shown as deferred income on the balance sheet.

Income from services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

#### **1.3 *Foreign Currency Transactions***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

#### 1.4 *Taxation*

The Board is exempt from corporation tax on income it receives.

Items in the Income and Expenditure account are net of recoverable VAT.

#### 1.5 *Fixed Assets*

All spending on a fixed asset which yields a benefit for a period of more than one year and individually cost more than £3,000 is treated as capital expenditure in the accounts. This excludes expenditure on repairs and maintenance of fixed assets which only maintains the value of the asset.

##### 1.5.1 *Land and Buildings*

All land and buildings are capitalised and stated in the balance sheet at valuation on the basis of depreciated replacement cost. The five Boards have agreed a five year rolling programme of full valuations with the Valuation and Lands Agency (VLA). Full valuations are made by the Valuation and Lands Agency (VLA) every five years and in the intervening years these valuations are updated by the VLA using appropriate indices. Land and buildings acquired during the year are included in the balance sheet. Completed building projects will be capitalised but not depreciated until commissioned. On-going building projects are categorised as assets in the course of construction and shown separately. Project costs capitalised include design and related fees as well as construction costs. Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a Government Grant reserve and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis which is consistent with the depreciation policy.

##### 1.5.2 *Maintained Schools*

Land and buildings shown in the financial statements do not include any voluntary maintained schools, the assets of which belong to their trustees. The Board, however, is responsible for buildings and grounds maintenance at these schools, as well as providing them with certain other services and with 100% funding for general running costs under LMS. These costs are reflected in the Board's Income and Expenditure Account.

##### 1.5.3 *Donated Assets*

Donated tangible fixed assets are capitalised at their valuation on receipt. This value is credited to the donated asset reserve. Subsequent re-valuations are also taken to this reserve. Each year an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Income and Expenditure Account.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. STATEMENT OF ACCOUNTING POLICIES (cont'd...)

#### 1.5.4 *Assets other than Land and Buildings*

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. Assets are valued each year using appropriate indices or professional valuations.

#### 1.5.5 *Depreciation*

Depreciation is provided for all fixed assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted prospectively over the revised economic life where appropriate.

All assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition/commissioning and no depreciation charged in the month of disposal. Assets in the course of construction are not depreciated until brought into use. Depreciation will not normally be provided for on freehold land unless subject to depletion or on assets which are identified as surplus to requirements and held pending disposal.

The following useful economic lives should where necessary be used as approximations to the levels estimated annually:

<b>Asset Class</b>	<b>Asset Sub-Class</b>	<b>Asset Life</b>
Lands	Land	Not Depreciated
Buildings	Permanent Buildings	50 years
	Temporary Buildings	15 years
Computers	Hardware and Software	3 years
Plant and Equipment	Reprographics	7 years
	Machinery	15 years
	Music	10 years
	Grounds Maintenance	7 years
	General and Other	10 years
	Cleaning	7 years
Vehicles	Small Mini-buses	5 years
	33 Seater Mini-buses	10 years
	> 33 Seater Mini-buses	14 years
	Vans	5 years
	Grounds Maintenance	7 years
	Mobile Libraries	10 years
	Cars	4 years
Miscellaneous	Library Books – Books And Collections	Not Depreciated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. STATEMENT OF ACCOUNTING POLICIES (cont'd...)

#### 1.5.5 Depreciation (cont'd)

Where these assets are acquired with the aid of specific grants, the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a Government Grant reserve and released to the income and expenditure account over the expected useful economic life of the related asset.

#### 1.6 Stocks

It is policy to carry stock for the meals service and maintenance and central depots.

Stocks are stated at the lower of current replacement cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### 1.7 Pension Scheme

The Board's employees belong to two principal schemes, the Teachers' Superannuation Scheme (TSS), the Northern Ireland Local Government Officer's Superannuation Committee Scheme (NILGOSC).

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. The scheme is administered by the Department of Education, Balloo Road, Bangor.

The Northern Ireland Local Government Officers' Superannuation Committee Scheme is of the defined benefits type, the assets of the schemes being held in separate trustee administered funds. The Board's contribution to the Northern Ireland Local Government Pension Scheme is determined by the fund's actuary based on a triennial valuation. The scheme is administered by NILGOSC, Holywood Road, Belfast.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. STATEMENT OF ACCOUNTING POLICIES (cont'd...)

#### 1.8 *Nature of substantial reserves*

- The *Income and Expenditure Reserve* balance represents the surplus of revenue income over expenditure or the excess of expenditure over revenue income, in the case of a deficit situation. It can be used to supplement income (or reduce income in the case of a deficit) in future years.

#### *Other Reserves*

- The Schools Reserve is the cumulative unspent portion of schools' locally administered budgets. These were set up under the Local Management in Schools arrangements required by the Education Reform Northern Ireland Order 1989.
- The Grant Reserve represents the surplus of grant income over expenditure.
- The Donated Assets Reserve and Revaluation reserve will depend on the application of the accounting guidance for Non Departmental Public Bodies.
- The Government Grant Reserve represents the movement of fixed assets in line with the accounting guidance for Non Departmental Public Bodies.
- The General Reserve represents the proceeds of the sale of non-property assets, in line with latest accounting guidance for Non Departmental Public Bodies.
- The Special Book Reserve represents the valuation of the special library book collection.

#### 1.9 *Finance and Operating Leases*

Operating lease rentals are charged to the Income and Expenditure account in equal annual amounts over the lease term. Leasing agreements which transfer to the Board substantially all benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright.

The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets.

#### 1.10 *Private Finance Initiative*

The Board follows HM Treasury's "Technical Note 1 (Revised) How to Account for PFI Transactions" which provides guidance for the application of the FRS 5 Amendment.

The South Eastern Education and Library Board has responsibility on behalf of all 5 Boards for the Board's Oracle financial IT system. This is a PFI scheme, the purpose of which is to provide an IT system to support the financial and management needs of the Boards in light of the requirements of Resource Accounting.

The South Eastern Education and Library Board signed a PFI Contract on 20 July 2004 to provide a new City Library service to the Lisburn area.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. STATEMENT OF ACCOUNTING POLICIES (cont'd...)

#### 1.10 *Private Finance Initiative (cont'd)*

The Western Education and Library Board has responsibility on behalf of all five Boards for the Classroom 2000 Project. This is a PFI scheme, the purpose of which is to design, develop and operate an ICT infrastructure to support the curriculum, management and information needs of the major bodies within the Education Service in Northern Ireland.

The North Eastern Education and Library Board has responsibility on behalf of all five Boards for the Electronic Libraries for Northern Ireland (ELFNI) Project. This is a PFI Scheme to deliver public access to electronic information through the public library network and to provide new Library management systems.

### 2. GRANT FROM DEPARTMENTS

#### DEPARTMENT OF EDUCATION, DEPARTMENT OF CULTURE, ARTS AND LEISURE AND DEPARTMENT FOR EMPLOYMENT AND LEARNING

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
<i>Recurrent Grant</i>		
- Grant-in-Aid	227,470	226,731
- Higher Education Bursaries	3,806	3,242
- Mandatory Awards	432	638
- Premature Retirement Compensation Pensions	1,149	1,089
- Premature Retirement Compensation Lump Sums	333	244
- Release of Government Grant Reserve	8,032	7,577
	<u>241,222</u>	<u>239,521</u>

#### DEPARTMENT OF HEALTH AND SOCIAL SERVICES AND PUBLIC SAFETY

<i>Recurrent Grant</i>		
- Mandatory Awards	342	194
	<u>241,564</u>	<u>239,715</u>

### 3. OTHER GRANT INCOME

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
European Funds	13	41
New Opportunities Fund	146	363
Other Funds	-	91
	<u>159</u>	<u>495</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 4. OTHER OPERATING INCOME

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Catering operations	3,893	4,024
Other income generating activities	2,125	1,998
Interest Receivable	-	-
Miscellaneous	<u>1,992</u>	<u>1,134</u>
	<b><u>8,010</u></b>	<b><u>7,156</u></b>

### 5. FUNDING COMMITMENT/END YEAR FLEXIBILITY

The following funding commitment or end year flexibility from the Departments has not been accrued as income:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Amount of Grant formally committed:		
Department of Education	1,683	481
	<u>1,683</u>	<u>481</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 6. STAFF COSTS

The staff costs and the number of persons (including Senior Post holders) employed by the Board during the year are as follows:-

<b>Staff costs:</b>	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
<i>Teaching</i>		
Wages and Salaries	110,226	106,433
Social Security Costs	8,995	8,500
Pension Costs	7,587	8,095
Other Employee Expenses	2,094	1,819
	<hr/>	<hr/>
	128,902	124,847
<i>Non-Teaching (including Board Members)</i>		
Wages and Salaries	56,149	54,560
Social Security Costs	3,296	3,293
Pension Costs	2,271	2,121
Other Employee Expenses	2,188	448
	<hr/>	<hr/>
	63,904	60,422
<b>Total</b>	<hr/> <b>192,806</b> <hr/>	<hr/> <b>185,269</b> <hr/>
<i>Average staff numbers:</i>		
	<b>Number</b>	<b>Number</b>
Teaching	4,239	4,068
Non-Teaching	5,876	6,005
	<hr/>	<hr/>
Total	<hr/> <b>10,115</b> <hr/>	<hr/> <b>10,073</b> <hr/>

NDPB Guidance requires detailed disclosure in respect of full time equivalents, staff on secondment or loan as well as agency, temporary and contract staff. It is expected that full disclosure will be made after full implementation of the new Payroll/Human Resource systems in the Boards and the Department of Education.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**7. EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS  
SENIOR POST HOLDERS**

	Salary including benefits in kind 2005	Salary including benefits in kind 2004	Real increase in pension at 65	Total accrued pension at 65 at 31/03/05	Value of cash equivalent transfer at 01/04/04	Value of cash equivalent transfer at 01/04/05	Real increase cash equivalent transfer value during year
	£	£	£	£	£	£	£
Mr J B Fitzsimons <i>Chief Executive</i>	89,542	89,492	151	31,957	567,220	574,524	7,077
Mr S Sloan <i>Senior Education Officer – Curriculum</i>	64,688	64,648	42	25,148	382,123	405,657	14,208
Mrs I Knox <i>Senior Education Officer – Administration</i>	57,806	57,766	182	17,758	235,114	250,923	11,740
Mr K Brown <i>Chief Finance Officer</i>	67,135	67,115	339	16,576	233,437	253,813	14,619
Mr M Brown <i>Chief Legal Adviser</i>	67,365	66,185	103	24,194	421,574	442,091	7,138
Mrs B Porter <i>Chief Librarian</i>	66,057	66,017	91	24,144	379,390	404,726	16,095
Mrs A Hanratty <i>Snr Education Officer - PPP</i>				Consent for disclosure withheld			
Mrs A Lennon <i>Ass Snr Education Officer – Curriculum</i>	51,583	50,197	608	7,964	99,062	114,075	12,595
Mrs S Skelton <i>Ass Snr Education Officer – Administration</i>	51,593	50,162	663	15,295	210,911	234,719	18,606
Mr R Gilbert <i>Ass Snr Education Officer – Curriculum</i>	31,076	50,177	333	15,311	197,040	215,092	13,125
Mr T Walsh <i>Ass Snr Education Officer – Property Services</i>	51,583	50,207	578	16,827	233,696	257,817	18,357
Mr N McBride <i>Ass Snr Education Officer – Administration</i>	49,823	42,382	714	12,881	146,801	159,778	9,266
Mr J Peel <i>Ass Snr Education Officer – Youth</i>	62,463	43,448	3,388	21,621	302,458	347,083	42,791
Mrs H McVitty <i>Ass Snr Education Officer – Finance</i>	52,642	49,287	915	9,581	123,782	146,088	19,247
	<u>821,152</u>	<u>804,869</u>	<u>8,181</u>	<u>260,586</u>	<u>3,875,783</u>	<u>4,166,323</u>	<u>218,848</u>

Note:

Mr J Peel includes an allocation for arrears of £12,588.

Mr R Gilbert left the Board on 7 November 2004.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### Notes:

- a** Where the requirements of a post include the use of a car, the Board offers a loan. Interest is payable at a rate of 4.45% on the initial amount of capital borrowed. Repayments of capital and interest are deducted from pay on a monthly basis.

There are 0 (2004: 3) loans outstanding at the year-end to Senior Post holders amounting to £0 (2004: £8,033).

- b** For each of these members of the NILGOSC Pension Scheme, a lump sum equal to three times the total accrued pension at 31 March 2005 is also payable on retirement.

<b>BOARD MEMBERS</b>	<b>2005 £</b>
The total emoluments (incl. honoraria) of the Chairmen were	11,279
The highest payment for any other Board member was	5,753
The aggregate amount of Board members emoluments was	75,765

No members waived emoluments. No members made claims for emoluments during the year.

The number of Board members who received emoluments falling within the range below:

	<b>2005 Number</b>	<b>2004 Number</b>
£1 - £4,999	31	31
£5,000 - £5,999	3	-
£6,000 - £6,999	-	-
£7,000 - £7,999	-	1
£8,000 - £8,999	-	-
£9,000 - £9,999	-	1
£10,000 - £10,999	-	-
£11,000 - £11,999	1	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**8. OTHER OPERATING EXPENSES**

	<b>2005</b>	<b>2004</b>
<b>DEPARTMENTS</b>	<b>£000</b>	<b>£000</b>
Premises, Fixed Plant & Grounds	16,352	19,741
Supplies & Services	15,515	18,491
Transport	13,478	12,839
Establishment	3,085	3,519
Grants to Persons/Bodies	6,104	5,017
Permanent Impairment of Fixed Assets	-	-
Loss on disposal of fixed assets	358	14
Miscellaneous	284	608
	<u>55,176</u>	<u>60,229</u>
<b>DEPARTMENT OF HEALTH AND SOCIAL SERVICES AND PUBLIC SAFETY</b>		
Grants to Persons/Bodies	342	448
	<u>55,518</u>	<u>60,677</u>

Other operating expenses include:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Operating leases - hire of plant and machinery	168	206
Operating leases - property	-	-
Hospitality	8	22
P.F.I.	2,467	2,381
	<u>2,643</u>	<u>2,609</u>

**9. NOTIONAL COSTS**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Auditors Remuneration	37	37
Valuation and Land Agency	-	-
Teacher's Payroll	300	292
Use of Capital	18,923	17,267
	<u>19,260</u>	<u>17,596</u>

The Board bases the cost of capital calculation on the total assets less total liabilities (excluding deferred income). The cost of capital percentage for the year ended 31 March 2005 is 3.5%.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 10. INTER BOARD TRADING

During the year the Board earned £nil from the selling of services and purchased £nil of services from the other Boards.

### 11. INTEREST PAYABLE

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
On Finance Leases	-	-
Other	18	11
	<u>18</u>	<u>11</u>

These expenses are included in other operating expenses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 12. TANGIBLE FIXED ASSETS

	Land & Buildings £ 000	Vehicles £ 000	Computers £ 000	Plant, Equipment & Miscellaneous £ 000	Assets in course of Construction £ 000	Total £ 000
<b>Cost or Valuation</b>						
<b>At 1 April 2004</b>	511,719	4,581	961	3,391	10,857	531,509
Additions	1,437	237	100	393	22,972	25,139
Asset Transfer	10,371	856	-	-	(11,227)	
Disposals	(359)	(96)	-	-	-	(455)
Revaluation	62,579	66	(27)	118	-	62,736
Permanent Impairment of value	-	-	-	-	-	-
<b>At 31 March 2005</b>	<b>585,747</b>	<b>5,644</b>	<b>1,034</b>	<b>3,902</b>	<b>22,602</b>	<b>618,929</b>
<b>Depreciation</b>						
<b>At 1 April 2004</b>	8,947	2,716	675	884	-	13,222
Disposals	-	(88)	-	-	-	(88)
Backlog Depreciation	3,547	46	(27)	27	-	3,593
Charge for period	9,454	424	178	265	-	10,321
Deficit on revaluation	(2,646)	(6)	5	-	-	(2,647)
Revaluation	-	-	-	-	-	-
<b>At 31 March 2005</b>	<b>19,302</b>	<b>3,092</b>	<b>831</b>	<b>1,176</b>	<b>-</b>	<b>24,401</b>
<b>Net Book value at 31 March 2005</b>	<b>566,445</b>	<b>2,552</b>	<b>203</b>	<b>2,726</b>	<b>22,602</b>	<b>594,528</b>
<b>Net Book value at 1 April 2004</b>	<b>502,773</b>	<b>1,865</b>	<b>286</b>	<b>2,507</b>	<b>10,857</b>	<b>518,288</b>

The Valuation and Lands Agency undertook a complete independent revaluation of all land and buildings as at 31 March 2003 on a depreciated replacement cost basis. The valuations as at 31 March 2005 were by way of approved government indices.

Should fixed assets be sold, proceeds from the sale can only be retained with the approval of the Departments and otherwise must be surrendered to the Departments.

The net book value of tangible fixed assets includes an amount of £7,389,312 (2004: £6,437,000) in respect of assets held in Reversionary Trusts i.e. if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

As described in note 1.5.2, the amount of land and buildings noted does not include maintained schools. In 2004/2005 there were 73 such schools in the Board's area.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**12. TANGIBLE FIXED ASSETS (cont'd...)**

Fixed assets include £956,000 in relation to a special collection of library books which have been valued by Mr Jack Gamble FRGS of Emerald Isle Books, 539 Antrim Road, Belfast on 12 September 2002. The library books have been valued on an open market, existing use basis and have been indexed but not depreciated. The next revaluation is due to be carried out in September 2005, but has not yet been completed. Therefore we have included the Valuations uprated by indexation. A full revaluation is being sought for March 2006.

The net book value of tangible fixed assets includes an amount of £1,187k (2003: £0) in respect of assets held under finance leases.

The depreciation charge for the period is analysed as follows:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Owned assets	10,321	9,595
Assets held under finance leases and hire purchase arrangements	-	-
(Deficit)/Surplus on revaluation	(2,647)	(2,032)
	<u><b>7,674</b></u>	<u><b>7,563</b></u>

**13. STOCK**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Catering	95	128
Maintenance and central depots	100	75
	<u><b>195</b></u>	<u><b>203</b></u>

**14. DEBTORS:**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade debtors	561	606
Amount owed by Boards	460	394
Prepayments and accrued income	2,317	6,445
Recoverable VAT	2,776	2,004
Amounts owed by Departments	114	236
	<u><b>6,228</b></u>	<u><b>9,685</b></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	-	-
Prepayments	2,898	3,430
<b>Total</b>	<u>2,898</u>	<u>3,430</u>
	<b><u>9,126</u></b>	<b><u>13,115</u></b>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	6,566	6,540
Obligations under finance leases	46	-
Amount owed to Boards	183	129
Other taxation and social security	1,104	1,837
Accruals and deferred income	12,755	11,490
Bank Overdraft	-	844
Other Creditors	939	643
	<u>21,593</u>	<u>21,483</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Obligations under finance leases	1,141	-
	<u>1,141</u>	<u>-</u>

**17. ANALYSIS OF BORROWINGS OF THE BOARD: FINANCE LEASES**

The net finance lease obligations to which the Board is committed are:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
In one year or less	46	-
Between one and two years	46	-
Between two and five years	137	-
Over five years	958	-
	<u>1,187</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

18. PROVISIONS FOR LIABILITIES AND CHARGES

	<b>Employer &amp; Public Liability Claims £000</b>	<b>Pensions £000</b>	<b>Job Evaluations £000</b>	<b>Total £000</b>
<b>At 1 April 2004</b>	1,336	2,229	35	3,600
Provided in the year	664	243	295	1,202
Provisions not required written back	(260)	-	-	(260)
Provisions utilised in the year	(518)	-	(35)	(553)
Unwinding of discount	-	-	-	-
<b>At 31 March 2005</b>	<b>1,222</b>	<b>2,472</b>	<b>295</b>	<b>3,989</b>

As directed by the Department of Education, with the consent of the Department of Finance and Personnel a provision has not been included in Board accounts for future liabilities in respect of existing teacher premature retirement cases. It is agreed that any assessment of future financial liabilities in this regard should be reflected in the Teacher's Superannuation Account (part of the Departmental Accounting structure).

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to the Board's income and expenditure account. In that respect the number of premature retirement compensation cases is as follows:

	<b>No.s</b>
2004-2005	80
Cumulative to March 2005	985

**Employer and Public Liability Claims**

These are claims against the Board submitted by members of staff and/or the public in relation to accidents or incidents which have happened before the balance sheet date. Claims which are not considered dormant or statute barred by the passage of time since being lodged, but have progressed sufficiently to allow an estimated "settlement" figure to be calculated, are included in the provision. Estimates are calculated by reference to a combination of professional judgement and the previous history of similar successful claims.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case's progress is dependant on individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated "settlement" figure may in subsequent years be revised up or down.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### Premature retirement provision for non-teaching staff

This provision refers only to those previous employees of the Board who have retired and are in receipt of current pension benefits augmented by compensatory added years of pensionable service. The provision is calculated by reference to their current age at the balance sheet date, and actuarial indexation factor which anticipates future life expectancy, and the actual current pension being paid in the current year. The product of this calculation is an estimate of the future liability of the Board in respect of these former employees. Payments in relation to this provision will be ongoing on a monthly basis.

### Job evaluation

This provision refers to employees, whose posts are due to be evaluated under the job evaluation scheme. As a result employees may be regraded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. Provision is made only in respect of those employee categories, whose job evaluations have progressed to the stage of agreed revised job descriptions, where it is probable arrears will be paid and the Board is able to make a reliable estimate of the liability.

### 19. DEFERRED INCOME - DEFERRED GRANTS

	2005	2004
	£000	£000
External Funding Bodies	<u>1,423</u>	<u>1,208</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**20. INCOME AND EXPENDITURE RESERVE**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 April 2004</b>	(21,594)	(14,146)
Amount transferred to/from Income and Expenditure Account	(6,265)	(6,143)
Transfer to/from School Reserve	564	(1,011)
Transfer to/from Grant Reserve	(1)	(294)
<b>At 31 March 2005</b>	<b>(27,296)</b>	<b>(21,594)</b>

**21. OTHER RESERVES**

	<b>Government Grant Reserve</b>	<b>General Reserve</b>	<b>Schools Reserve</b>	<b>Grant Reserve</b>	<b>Special Book Reserve</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>At 1 April 2004</b>	516,085	86	12,532	(2,704)	910	526,909
Transfer to/from Income & Expenditure Reserve	-	-	(564)	1	-	(563)
Capital Receipts	25,798	-	-	-	-	25,798
Revaluation of Tangible Fixed Assets	62,689	-	-	-	46	62,735
Release of Grants – Depreciation	(10,321)	-	-	-	-	(10,321)
Deficit on revaluation	2,647	-	-	-	-	2,647
Backlog Depreciation	(3,592)	-	-	-	-	(3,592)
Transfer from Deferred Credits	40	-	-	-	-	40
Disposal of Fixed Assets	(358)	-	-	-	-	(358)
Transfer to/from General Reserve	(8)	8	-	-	-	-
<b>At 31 March 2005</b>	<b>592,980</b>	<b>94</b>	<b>11,968</b>	<b>(2,703)</b>	<b>956</b>	<b>603,295</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 22. PENSION AND SIMILAR OBLIGATIONS

The Board's employees belong to two principal schemes, the Teachers' Superannuation Scheme (TSS), the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).

For 2004/2005 employers the contribution rate to the Teachers' Superannuation scheme was 7.0%.

For 2004/2005 the employer's contribution rate to the Northern Ireland Local Government Pension Scheme was 4.6%.

The Board has included pension costs totalling £9,858,000 in relation to the two schemes.

The latest actuarial valuation of the schemes was at 31 March 2004 (TSS) and 31 March 2004 (NILGOSC).

The assumptions that have the most significant effect on the valuations and other relevant data are as follows:

		<b>TSS</b>	<b>NILGOSC</b>
Rate of return on investments	- After Retirement	N/A	6.3%
	- Before Retirement	N/A	6.3%
	- Long Term	N/A	N/A
Rate of increase in salaries		N/A	4.4%
Rate of increase in pensions		N/A	2.9%
Rate of dividend growth		N/A	2.3%
Market value of the assets at the date of the last valuation		N/A	£2,152.3

The actuarial value of the assets of NILGOSC was not sufficient to cover all of the benefits which had accrued to members after allowing for future increases in earnings. The current funding level corresponds to a past service deficit of £392m. This deficit will require to be recovered by increasing the employers' contribution rates. Increasing rates have been agreed for the next 3 years but these will not recover any part of the deficit and its recovery is therefore delayed until the next 3 year period from 1<sup>st</sup> April 2008. It is planned that employer contribution rates will again increase for the 3 years from 1<sup>st</sup> April 2008. A target rate of 17.3% is currently anticipated but will be recalculated and confirmed at the next valuation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**23. NOTES TO THE CASH FLOW STATEMENT**

**(i) Reconciliation of operating deficit to cashflow from operating activities**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Deficit for the year	(25,525)	(23,739)
Adjust for:		
Depreciation (note 12)	7,674	7,563
Government grant release (note 21)	(7,674)	(7,563)
Loss on disposal of fixed assets	358	14
Government grant disposal of fixed assets (note 21)	(358)	(14)
Interest payable (note 11)	18	11
Interest receivable (note 4)	-	-
Notional costs (note 9)	19,260	17,596
Decrease/(Increase) in Stock	8	(29)
(Increase) in debtors	(21)	(426)
Decrease in prepayments & accrued income	3,982	3,395
Increase in creditors	80	1,304
Increase in accruals and deferred income	1,295	1,834
(Decrease)/Increase in other tax & social security	(733)	422
Increase/(Decrease) in provisions	389	(358)
Net cash (outflow)/inflow from operating activities	<u><u>(1,247)</u></u>	<u><u>10</u></u>

**(ii) Returns on investment and servicing of finance**

Interest received	-	
Interest paid on finance leases	-	
Other interest paid	(18)	(11)
	<u><u>(18)</u></u>	<u><u>(11)</u></u>

**(iii) Capital expenditure and financial investment**

Purchase of tangible fixed assets	(23,432)	(15,688)
Capital grants received	26,052	14,085
Proceeds from disposal of tangible fixed assets	323	3
Proceeds surrendered	(550)	(150)
	<u><u>2,393</u></u>	<u><u>(1,750)</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

23. NOTES TO THE CASH FLOW STATEMENT (cont'd ...)

(iv) **Financing**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Capital element of finance lease payments	-	-
Issue of loans	(58)	(40)
Receipt of loan repayments	70	77
	<u>12</u>	<u>37</u>

(v) **Analysis of net funds**

	<b>1 April 2004</b>	<b>Cash Flow</b>	<b>Non Cash</b>	<b>31 March</b>
	<b>£000</b>	<b>£000</b>	<b>Movement</b>	<b>2005</b>
			<b>£000</b>	<b>£000</b>
Cash	(844)	1,140		296
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
Finance Leases	-	-	(1,187)	(1,187)
	<u>(844)</u>	<u>1,140</u>	<u>(1,187)</u>	<u>(891)</u>

(vi) **Reconciliation of net cash to movement in net funds**

	<b>2005</b>
	<b>£000</b>
(Increase) in cash	1,140
Cash inflow/outflow from decrease/increase in debt	-
Change in net debt resulting from cash flows	<u>1,140</u>
Other non cash items	(1,187)
Movement in net funds	<u>(47)</u>
Net funds at 1 April 2004	(844)
Net funds at 31 March 2005	<u><u>(891)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**24. CAPITAL COMMITMENTS**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Contracted	26,380	30,942
Authorised but not contracted	7,910	2,857
	<u>34,290</u>	<u>33,799</u>

**25. FINANCIAL COMMITMENTS**

At 31 March 2005 the Board had annual commitments under non-cancellable operating leases as follows:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Expiring within one year	22	57
Expiring between 1 and 5 years inclusive	132	166
Expiring after 5 years	-	-
	<u>154</u>	<u>223</u>

**26. PRIVATE FINANCE TRANSACTIONS**  
**PFI Schemes deemed to be off Balance Sheet**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Amounts included within Other Operating Expenses in respect of PFI transactions deemed to be off Balance Sheet	2,467	2,381
	<u>2,467</u>	<u>2,381</u>

The Board is committed to make the following payments during the next year:

	<b>£000</b>	<b>£ 000</b>
PFI Scheme which expires within 1 year	-	-
PFI Scheme which expires from 2 to 5 years (inclusive)	-	-
PFI Scheme which expires from 6 to 10 years (inclusive)	2,448	1,998
PFI Schemes which expire from 11 to 15 years (inclusive)	-	-
PFI Schemes which expire from 16 to 20 years (inclusive)	-	-
PFI Schemes which expire from 21 to 25 years (inclusive)	-	-
	<u>2,448</u>	<u>1,998</u>
	<b>£000</b>	<b>£ 000</b>
Estimated capital value of the PFI Scheme	<u>31,647</u>	<u>26,190</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 26. PRIVATE FINANCE TRANSACTIONS (cont'd...)

Contract start date – January 1999

Contract end date – March 2012

The PFI Scheme relates to the installation, implementation and technical support of hardware and software for each of the five Education and Library Boards within Northern Ireland over the duration of the contract. This PFI scheme enables each Board to report financial issues under the Accruals Accounting concept.

### 27. CONTINGENT LIABILITIES

#### Job Evaluation

There remains a number of staff categories where the relevant job descriptions have not yet been agreed or job descriptions have been agreed but it is not considered probable that a liability will arise.

We include below a table detailing the progress of the various job categories, currently at this stage in the job evaluation process.

<b>Description</b>	<b>Est. no of officers</b>	<b>Status</b>
General Miscellaneous	42	Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation.
Domestics with caring duties / general assistants	104	A generic job description is in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation.
Miscellaneous Headquarters Posts	11	Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation.

The potential total liability if all of these potential liabilities were to materialise is currently estimated at £400k.

#### Legal cases and public liability

Proceedings against the Board have been initiated in a number of cases of public and employers liability cases. The likelihood of the Board being found liable and the amount of any settlements cannot yet be estimated as the cases concerned have not progressed sufficiently to allow assessment by the Board's solicitors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### **Legal cases and public liability (cont'd...)**

Those amounts which are probable and ascertainable have been accrued within provisions for liabilities and charges.

The potential total liability for the Board if all of these potential liabilities were to materialise is currently estimated at £50k.

### **28. POST BALANCE SHEET EVENTS**

Details of post balance sheet events are given in the Annual Report of the Board.

### **29. RELATED PARTY TRANSACTIONS**

The South Eastern Education and Library Board is a Non-Departmental Public Body (NDPB) sponsored by the Department of Education, Department of Culture, Arts and Leisure and the Department for Employment and Learning.

The Departments are regarded as related parties. During the year, the South Eastern Education and Library Board has had various material transactions with the Departments and with other entities for which the Departments are regarded as the parent Department. These include:

- Belfast Education and Library Board;
- North Eastern Education and Library Board;
- Southern Education and Library Board;
- Western Education and Library Board;
- Staff Commission for Education and Library Boards;
- Council for Catholic Maintained Schools;
- Voluntary Grammar School;
- Grant Maintained Integrated Schools;
- Northern Ireland Council for the Curriculum Examinations and Assessment; and
- Colleges of Further Education.

In addition, the South Eastern Education and Library Board has had a small number of material transactions with other Government Departments and other Central Government bodies. Most of these transactions have been with the:

- (a) Department of Health and Social Services and Public Safety;
- (b) Health and Social Services Boards which are sponsored by the Department of Health and Social Services and Public Safety.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 29. RELATED PARTY TRANSACTIONS (cont'd...)

None of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with the South Eastern Education and Library Board during the year other than those disclosed in Note 7.

### 30. FINANCIAL INSTRUMENTS

FRS 13, (Derivatives and other Financial Instruments), requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the South Eastern Education and Library Board is not exposed to the degree of financial risk faced by business entities. The Board has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities and are not held to change the risks facing the department in undertaking its activities.

#### **Liquidity Risk**

The Board's net revenue resource requirements are largely financed by grants from its sponsoring Departments, just as its capital expenditure is. The Board is not therefore exposed to significant liquidity risks.

#### **Interest Rate Risk**

The Board's financial assets and liabilities carry nil or fixed rates of interest. The Board is not, therefore, exposed to significant interest rate risk.

#### **Foreign Currency Risk**

The Board's exposure to foreign currency risk is not significant. Foreign currency income and expenditure are negligible.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

**31. EUROPEAN UNION FUNDING**

	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
	<b>Income</b>	<b>Expenditure</b>	<b>Income</b>	<b>Expenditure</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£000</b>
Received via Department of Education Applicant:				
(a) Board	-	-	-	-
(b) Schools	-	-	-	-
(c) Other Services	13	(13)	41	(28)-
	<hr/>	<hr/>	<hr/>	<hr/>
	13	(13)	41	(28)
Received from Other Sources:				
(a) Milk Subsidy	27	(27)	74	(74)
(b) Others	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	27	(27)	74	(74)
<b>Total</b>	<hr/> <b>40</b>	<hr/> <b>(40)</b>	<hr/> <b>115</b>	<hr/> <b>(102)</b>

**32. NEW OPPORTUNITIES FUND**

	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
	<b>Income</b>	<b>Expenditure</b>	<b>Income</b>	<b>Expenditure</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£000</b>	<b>£ 000</b>
(a) Schools	101	(101)	294	(338)
(b) Public Libraries	-	-	16	(29)
(c) Other Services	45	(45)	53	(157)
	<hr/>	<hr/>	<hr/>	<hr/>
	146	(146)	363	(524)

**33. STATEMENT OF LOSSES**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
(a) Cash Losses	8	5
(b) Claims Abandoned	1	-
(c) Fruitless Payments	-	-
(d) Stores Losses	224	198
	<hr/>	<hr/>
	233	203

**34. STATEMENT OF SPECIAL PAYMENTS**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
(a) Ex –Gratia Payments	-	-
(b) Extra Statutory Payments	-	-
	<hr/>	<hr/>
	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 35. FINANCIAL TARGET

The Board's financial targets for 2004/05 were to contain expenditure within the accrued limits approved by the Departments. The targets set by the Department for Culture, Arts and Leisure and the Department for Employment and Learning have been achieved. The Board has exceeded the Department of Education approved Budget by £4.503m. An action plan has been put in place to correct this amount by 31 March 2010.

The main overspending areas that contributed to the financial position are:

#### Area of Overspend

Schools Delegated	£0.6m
Provision for Statemented Children	£0.8m
Teacher Substitution Costs	£1.0m
Teachers in Special Units	£0.4m
Maintenance	£1.0m

The Board continually strives to improve its performance in these and other areas and to highlight the need for additional funding to the Departments to meet the requirements of its services.

#### **RECONCILIATION FROM INCOME & EXPENDITURE ACCOUNT TO RESOURCE ALLOCATION PLAN (BUDGET)**

<b>Income and Expenditure Account</b>	<b>2004/05</b>
	000's
Deficit per Income & Expenditure Account	(6,265)
Increase/(decrease) in Provisions	389
Adjusted Deficit per Accounts	<u>(5,876)</u>
<b>Resource Allocation Plan Target</b>	
Department of Education	224,157
Department of Culture, Arts and Leisure	4,379
Department for Employment & Learning	6,288
Total Resource Allocation Plan	<u>234,824</u>
Total Expenditure	<u>(239,016)</u>
Deficit (Resource Allocation Plan less Expenditure)	(4,192)
End of Year Flexibility treated as deferred income	<u>(1,684)</u>
Adjusted Deficit per Accounts	<u><u>(5,876)</u></u>

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF EDUCATION, WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE AND PERSONNEL, IN ACCORDANCE WITH ARTICLE 12 OF THE EDUCATION AND LIBRARIES (NI) ORDER 2003**

The annual accounts shall give a true and fair view of the I&E and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement the South Eastern Education and Library Board shall prepare accounts for the financial year ended 31 March 2004 and subsequent financial years in accordance with:

- a. Non-Departmental Public Bodies Annual Reports and Accounts Guidance;
- b. Other guidance which the Department of Finance and Personnel may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. Any other specific disclosures required by the Department;

Except where agreed otherwise with the Department of Finance and Personnel, in which case the exception shall be described in the notes to the accounts.

**Date of submission**

The accounts shall be submitted to the Comptroller and Auditor General by 30 June immediately following the end of the financial year.

**Signed by authority of the Department of Education**

**KATRINA GODFREY**

**Dated 22 JULY 2004**

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