



SOUTH EASTERN EDUCATION
AND LIBRARY BOARD

Annual Report and Accounts 2006-2007

**South Eastern Education and Library Board
Annual Report and Accounts
For the year ended 31 March 2007**

Laid before the Northern Ireland Assembly under Article 38 (2) of
the Education and Libraries (Northern Ireland) Order 2003 by the
South Eastern Education and Library Board.

16th April 2008

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DIRECTORS' REPORT

Background information

The South Eastern Education and Library Board (hereinafter referred to as “the 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 Board is an executive non-departmental public body sponsored by the Department of Education, the Department of Culture, Arts and Leisure and the Department for Employment and Learning.

Principal activity

The Board's principal functions relate to the provision of education, library and youth services in the region for which it has responsibility.

The region comprises five Council areas:

- Ards
- Castlereagh
- Down
- Lisburn
- North Down

In 2005, the estimated population of the Board's area was 398,173 and at October 2006 there were 64,128 children attending schools in the area, with a further 1,334 children in voluntary and private pre-school education centres.

During 2006/2007 the Board provided/supported:

- 24 Public Library Service Points and 5 Public Service mobiles
- a Music Centre
- an Arts and Creativity Centre (Studio ON)
- 2 Residential Outdoor Education Centres
- 2 Resource Centres (closed as at 22/12/2006)
- 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 relevant legislative documents may be viewed at Board Headquarters, or in any branch library.

Within the Board's area there are:

- 19 Nursery Schools, 41 Nursery Units and 71 private pre-school providers funded under the Pre-School Education Expansion Programme
- 161 Primary Schools
- 29 Secondary Schools
- 10 Grammar Schools
- 11 Special Schools and 27 Special Units

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

Format of Accounts

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

Pension Accounting Policy

Pension liabilities are treated in the Accounts in accordance with note 1.7 of the Statement of Accounting Policies and details of pensions of senior post holders and members are included in the remuneration report.

Auditor details

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

| COST OF AUDIT | £000 |
|-----------------------------------|-------------|
| Audit Services (notional cost) | 38 |
| Further Assurance Services | |
| Tax Services | |
| Other Services | |

The services provided relate to the statutory audit of the financial statements. There were no non-audit services provided by the Principal Auditor.

Chairperson and Chief Executive

Rev Gary Haire served as Chairman of the Board from 1st April 2006 until 6th July 2006, when the Board was suspended and replaced by Commissioners. Mr Douglas Osler served as Chairman of the Commissioners from 6th July 2006 until 31st March 2007. Ms Irene Knox served as Chief Executive throughout the year.

Board Members

The Board consists of 35 members, all of whom are appointed by the Minister with responsibility for Education within Northern Ireland.

The following served as Board Members during the period 1 April 2006 – 6 July 2006.

Members Nominated by the five District Councils (14)

| | Attendance [from a possible 4 Board meetings] |
|---|--|
| Councillor J Bell | 4 |
| Councillor Mrs M Craig | 3 |
| Councillor M Coogan | 3 |
| Councillor Mrs R M Dunlop (Vice Chairman) | 2 |
| Councillor A Ewart | 4 |
| Councillor P Givan | 4 |
| Councillor W Leathem | 4 |
| Councillor Mrs C O'Boyle | 3 |
| Councillor J Spratt | 4 |
| Councillor C Tosh | 3 |
| Councillor W M Ward | 3 |
| Councillor P Weir | 2 |
| Councillor T Williams | 3 |
| Alderman B Wilson | 1 |

Members Representative of Transferors of Schools (6)

| | Attendance [from a possible 4 Board meetings] |
|--------------------|--|
| Rev Dr J P O Barry | 4 |
| Rev C W Bell | 2 |
| Rev J Honeyford | 3 |
| Mrs E M Robinson | 4 |
| Rev Dr R A Russell | 0 |
| Mr J D Uprichard | 4 |

Members Representative of the Trustees of Maintained Schools (2)

| | Attendance [from a possible 4 Board meetings] |
|---------------|--|
| Mr D G Mullan | 3 |

| | Attendance [from a possible 1 Board meeting] |
|------------|---|
| Mrs A Rice | 0 |

| | Attendance [from a possible 1 Board meeting] |
|--------------|---|
| Mr J McGrath | 1 |

Ministerial Nominations Representing Libraries, Teachers, Youth Services, Industry and Commerce, Trade Unions (13)

**Attendance
[from a possible 4 Board meetings]**

| | |
|--------------------------|---|
| Mr I Arbuthnot | 3 |
| Mr D A Cahill | 2 |
| Mr M P Flanagan | 3 |
| Mrs F A Gault | 4 |
| Rev G N Haire (Chairman) | 2 |
| Mr B Henry | 3 |
| Mrs S McKee | 4 |
| Dr L McWhirter | 4 |
| Dr R Montgomery | 4 |
| Mrs V Morrison | 2 |
| Mr S Smith | 4 |
| Mrs D Tennis | 4 |
| Ms J Williams | 3 |

On 6th July 2006 the Department of Education suspended the Board and appointed 4 Commissioners to carry out the functions of the Board. The appointment of the Commissioners was made under Article 101 (7) of the Education and Libraries (NI) Order 1986. The following people served as Commissioners during the period 7th July 2006 to 31st March 2007.

Mr Douglas Osler, (Chairman)
Mr Pat Carvill
Mrs Joan Christie
Mr Lawson McDonald

**Attendance
[from a possible 18 Commissioners' meetings]**

| | |
|---------------------------|----|
| Mr Douglas Osler | 18 |
| Mr Pat Carvill | 17 |
| Mrs Joan Christie | 18 |
| Mr Lawson McDonald | 18 |

Committee structure

While in place, the work of the Board was 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 Committee
- General Purposes Committee
- Library and Information Committee
- Property Services Committee
- Teaching Appointments Committee
- Youth Committee

The Committees of the Board, with the exception of the Teaching Appointments Committee, ceased to operate when the Board was suspended.

The Commissioners established the under noted Committees:

- Audit and Risk Assurance Committee (includes 2 independent members)
- Expulsions Committee

Company Directorships and other significant interests

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

MANAGEMENT COMMENTARY

Operating Results for the Year

The Net operating cost for the Board was £290,141K after charging cost of capital and notional costs of £26,490K. During the year the Board contained expenditure within agreed budget allocations from all sponsoring departments, after making a repayment of £4.5 million to the Department of Education. Headquarters Administration costs were contained at 2005/06 budget levels.

End Year Flexibility – Funding Commitment

On 27 November 2007 the Department of Education (DE) issued a direction to the Board to make a significant change to the 2006/07 Annual Accounts. This direction required the Board to change the Funding Commitment Disclosure Note (Note 35) of the Accounts as follows:

From:

“the year end position (2007) for DE and Youth represents a funding commitment/year end flexibility from the Department of a guaranteed resource which will be added to the Board’s approved spending limit in the next financial year.”

To:

“the year end position (2007) for DE and Youth represents a funding commitment/year end flexibility from the Department of a guaranteed resource which will be added to the Board’s approved spending limit in future years.”

This change carries significant risk for the Board in that it removes the Departmental Funding Commitment to allow full carry-over of Year End Balances into the next financial year. While DE continue to assure the Board that this funding will be available to Schools and Boards in future years, there is no commitment as to the particular financial year(s) in which this funding can be accessed. This risk is addressed further in the Statement of Internal Control 2006/07 (Section 6).

Future Developments

Significant changes were announced to Northern Ireland’s public administrative system in November 2005. From 1st April 2009, a new Education and Skills Authority (ESA) will take over functions currently carried out by the Education and Library Boards and a number of the other education stakeholder organisations. Within the Department of Education a Programme Management Board has been set up to oversee the education aspects of the Review of Public Administration (RPA). The Chief Executive (Designate) of the ESA was appointed in December 2006.

From 1st April 2009, a new Northern Ireland Libraries Authority will take over Education and Library Board functions in relation to public libraries. The Draft Libraries Order has been issued for consultation and the appointment of a Chief Executive is imminent.

During the financial year 2007/08, the Board plans to:

- manage expenditure to remain within budget allocations while maintaining quality services and making the agreed deficit repayment to the Department of Education
- deliver the agreed regional implementation plan for the introduction of the Revised Curriculum
- provide appropriate training, capacity building and support for schools to enable them to raise achievement
- provide opportunities for the personal and social development of children and young people
- assist schools to improve the attendance levels of pupils and staff
- exercise a challenge function, where appropriate, to assist with educational and financial improvement priorities
- provide training for Boards of Governors to help them to fulfil their responsibilities
- reduce surplus capacity in the schools' estate through rationalisation proposals
- progress approved capital development schemes
- engage with education partners in preparation for the establishment of the Education and Skills Authority and the Northern Ireland Library Authority
- develop a strategic plan for special education
- develop and implement an agreed plan for the delivery of the DCAL strategy on public libraries
- develop an effective information and communications strategy.

Important Events Occurring After the Year End

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

Employment 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 and the Chief Executive briefs staff personally on at least 2 occasions during the year.

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.

Charitable Donations

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

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 as follows:

| Received | Based on invoice date | | Based on date invoice received | |
|--------------------------------|-----------------------|--------|--------------------------------|--------|
| | Number | £000 | Number | £000 |
| Total bills paid | 123,845 | 99,917 | 123,845 | 99,917 |
| Total bills paid within target | 39,482 | 78,366 | 53,548 | 87,203 |
| % of bills paid within target | 32% | | 43% | |

Accountability

The Board is a non-departmental public body (NDPB), which reports to three Departments:

Education (Department of Education)

- 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 (Department of Culture Arts and Leisure)

- Public Library Service
- Irish-Medium Curriculum Resource Unit

Employment and Learning (Department for Employment and Learning)

- 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.

Executive Structure

The executive business of the Board is carried out by a team of officers under the leadership of the Chief Executive.

Chief Executive's Unit: Irene Knox

- Internal Audit
- Education and Library Boards' Solicitors
- Northern Ireland PPP Education Service

Administration Services Unit: Hilary McVitty (until July 2006)

- Property Services
- Claims and Legal Administration
- Equality and Human Rights
- Human Resource Services
- Transport Services
- Health & Safety

Curriculum Services Unit: Stanton Sloan

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

Finance Services Unit: Hilary McVitty (from August 2006)

- 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 Services Unit: Beth Porter

- Public Library Service Unit

- Central Information Service
- Local Studies Service
- Children's and Young Peoples Service
- Central Stock Services
- Education Library Service Unit
- Marketing Unit
- Corporate IT Services
- Corporate Information Services and Publications Unit
- Registry/Reception 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 Board's key objectives are as follows:

Focusing 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.

CHIEF EXECUTIVE'S UNIT

Internal Audit

The primary objective of Internal Audit in the SEELB is to provide the Chief Executive, as Accounting Officer, with an overall opinion on risk management, control and governance in the Board in support of her Statement on Internal Control.

The SEELB internal audit strategy is designed to achieve the most effective use of the available resources taking account of current HM Treasury guidance and standards for the performance of internal audit work. During 2006-2007 Internal Audit carried out a series of reviews in Headquarters targeted at improving the quality of financial reporting and budget management. Advice and support was also provided to managers elsewhere in the Board's area with visits to more than 60 schools, libraries and out-centres.

One officer left Internal Audit in December 2006 reducing the number of planned days available by 65 or almost 6%. The current complement is 6 staff and it is anticipated that the vacant post will be filled during 2007-2008. During 2006-2007 two officers were awarded the Diploma in Public Sector Audit and two officers completed a specialised training course on investigative practice.

The following performance measurement criteria have been adopted by the five Education and Library Boards after discussion with the inter-board Management Support Unit. Unfortunately data from the other Boards was not available at the time of writing this report, however comparative data from the SEELB for 2005/06 is provided.

| Criteria | 2006/07 | 2005/06 |
|---|----------|----------|
| Cost of service | £235,420 | £222,000 |
| Cost per Audit Day | £227 | £225 |
| Number of training days | 86 | 63 |
| Ratio of qualified to unqualified staff | 2:1 | 1:1 |
| Service cost as % of SEELB spend | 0.10% | 0.09% |

Education and Library Boards' Solicitors

The Education and Library Boards' Solicitors Office was set up in 1973 at the re-organisation of Local Government and the creation of the Education and Library Boards. It is a five Board service, but is attached to the South Eastern Board for funding and administrative purposes. The Office currently has a complement of five solicitors and seven support staff.

During the year, the Office continued to provide a comprehensive legal advice service, not only to the five Education and Library Boards, but also to the Further Education Colleges and the Grant Maintained Integrated Schools. Legal advice, assistance and representation were provided in the areas of corporate governance, conveyancing, High Court and County Court litigation, Industrial and Fair Employment Tribunals, Special Educational Needs and Disability Tribunals and Judicial Review.

The Office also provided advice and training to the Statutory Tribunals administered by the Boards and had a regular input into training courses for teachers. A legal information bulletin which is published on a quarterly basis was introduced and circulated to the five Boards and to all Controlled Schools.

Northern Ireland Public Private Partnerships Education Service (NIPPES)

The Northern Ireland Public Private Partnerships Education Service (NIPPES) is located in the South Eastern Education and Library Board, but provides support across the education sector. It is financed directly from the Department of Education via earmarked funding.

During the year the NIPPES continued to provide project management to PPP projects in the BELB, SEELB, WELB and NEELB as well as to the Maintained, Voluntary Grammar and Integrated sectors.

In September 2006, contracts were signed with Hochtief PPP Solutions (UK) Ltd and Belfast Educational Services (NW) for the provision of new schools in Bangor, Comber and Strabane. Work commenced on site at the schools shortly afterwards.

The Service also examined and took forward proposals on the standardisation of the application of equality legislation, standardised approaches to changed legislation on the treatment of non-commercial matters, the exemption of catering, the treatment of Long Term Enrolments (LTEs) in PPP and the treatment of fixtures and fittings. Programmes for the appointment of a PPP onsite Monitoring Officer and an Independent Certifier were also achieved with the aim of protecting the Authority and ensuring VFM during construction stages.

In addition the Service managed a number of Working Groups including the Contract's Working Group, the Service Working Group, the Design Working Group and the PPP Principals' Forum. A Principals' Handbook was also published. Staff also worked with the Department of Education's Programme Delivery Support Unit in taking forward the Review of Procurement.

CURRICULUM SERVICES UNIT

Curriculum Advisory and Support Service (CASS)

The CASS Balanced Scorecard prioritised Resource Allocation Plan targets and the needs of schools to support improved performance and the narrowing of differentials in all schools within the Board area.

During 2006-2007 CASS began to roll out a major training programme for the introduction of the Revised Curriculum. In primary schools all Primary 1 and Primary 5 teachers were offered 2 days training in Personal Development and Mutual Understanding and Thinking Skills and Personal Capabilities. In post-primary schools, senior leadership teams, curriculum leaders and subject teachers have received training with a focus on Year 8. Over 2,500 teachers have accessed the training events to date. Further training will take place in the summer term of 2007 and continue into 2007-2008 school year. Teachers' evaluation of the training provided has been very positive.

The CASS literacy team continued to support schools in raising literacy standards through the provision of training and support in line with the Northern Ireland Literacy Strategy. Key Stage 2 results show that SEELB schools are currently 2% above the Northern Ireland average. Key Stage 3 results increased by 2% since last year. Training and support in line with the Northern Ireland Literacy Strategy was provided in 5 main strands.

The numeracy team continued to implement the Northern Ireland Numeracy Strategy by providing programmes of intensive school-based support. Additionally P5, 6 and 7 pupils from 24 primary schools participated in the Maths Challenge. These programmes contributed to the achievement of the Board's Performance targets for numeracy.

The Extended Schools Programme involved 75 SEELB schools, all of which had agreed action plans in place by October 2006. This programme has enabled a wide range of extended school activities and services to operate. These included breakfast and after school clubs, parent support programmes including adult learning opportunities, delivery of much needed external services into schools and community use of schools.

CASS staff have continued to help establish, develop and support collaborative partnerships within the Entitlement Framework. In conjunction with other school managing authorities, CASS ensured by September 2006, that support was made available to all post-primary schools via the inter-board audit tool. Schools have audited their existing curricular provision in preparation for the phased move towards full Entitlement Framework implementation from September 2009. Six cluster groups of post-primary schools have been established on a geographical basis. Special schools have also come together to explore how they might work collaboratively. Another group representing the integrated, maintained and controlled sectors is collaborating to provide wider provision for pupils in the SEELB area. Support and guidance has also been given to those schools currently involved in the Vocational Enhancement Programmes in preparation for the full implementation of the Entitlement Framework in 2009-10.

During 2006-2007 some 160 primary and post-primary beginning teachers were supported through the SEELB Beginning Teachers Induction Programme. A further 130 teachers, engaged in their first year of Early Professional Development (EPD), attended training with their teacher tutors to enable them to commence the EPD process.

CASS provided, in partnership with the Regional Training Unit (RTU), an induction programme for 18 new principals and 6 new vice-principals. Support was also provided for the senior management teams of 14 post-primary schools through the Regional Training Unit Senior

Management Team (SMT) Development Programme with CASS officers providing further support to these schools during the RTU SMT development 'residential' programme. Other activities involving CASS officers which highlight the ongoing value and variety of the service include the following:

- The Youth Sport South East Programme which during 2006-0007 involved 60 schools with a total of 159 different courses taking place. These activities involved a total of 3,034 young people (1,916 boys and 1,118 girls).
- The development of 'science' curriculum links between 43 primary schools in the SEELB and similar schools in South Africa.
- Ongoing training in local and global Citizenship, Education for Employability and Personal Development which promotes 'active' learning and teaching methodologies.
- a comprehensive review of post-primary Technology & Design and Home Economics accommodation by CASS officers enabled the SEELB to make successful bids for funding to address health and safety issues, enhance CAD and CAM facilities and Home Economics accommodation in a number of schools.
- The ICT unit continued to support schools in the roll-out of the C2K and LNI virtual learning environment. CASS ICT staff have also gained accreditation as BECTA Quality Mark Assessors for Northern Ireland. Nineteen CASS officers have successfully participated in the RTU's 'Online Training of Educators in NI' course.
- The Creative Youth Partnership Programme continued to enable children and young people in the SEELB area to engage with sculptors, visual artists, musicians, dancers and many other creative people. Successful projects took place in all types of schools, but also with the youth service and voluntary and community sectors.
- The work of officers within the Languages and International Unit has continued to help extend the range of teachers' professional development opportunities and school programmes on offer. In 2006-2007 25 schools were involved in Comenius Projects, 16 post-primary schools offered European Studies Programmes and 16 language assistants were placed in 19 post-primary schools. Ten Swedish and 20 Spanish teachers had placements in SEELB primary schools. Plans are in place to create further opportunities for principals and teacher development in Spain, France and Holland.
- CASS Officers supported 10% of schools in delivering DE requirements relating to Drugs Education.

Youth Services

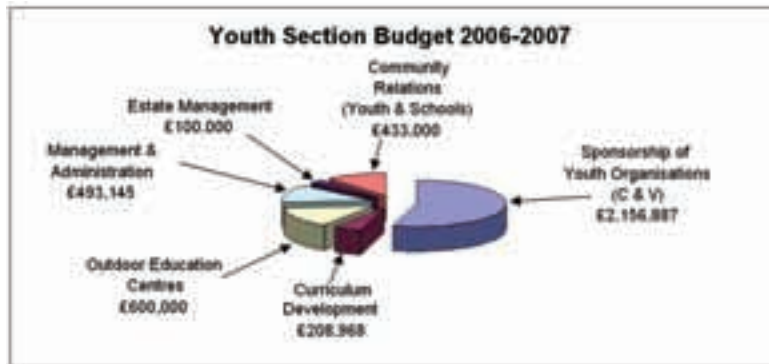
During 2006-2007 the South Eastern Education and Library Board Youth Section supported 472 Registered Youth Organisations (Voluntary and Statutory) to deliver beneficial educational programmes, in accordance with the Northern Ireland Youth Work Curriculum, to 46,477 young people in the Board area. This represents 40% of all young people within the Youth Service age range (4 – 25 years). A Survey regarding overall service provided to Youth Organisations indicated a satisfaction rate of 80%.

Within the 4 – 18 year age range, 42,756 young people participated in Youth Service Programmes representing 50% of that age band.

Within the 19-25 year age band a participation rate of 10% was achieved.

The strategy of prioritising support to the community and voluntary sectors continued to make a significant contribution to participation rates within the Board area and helped to optimise the effectiveness of available financial and human resources.

The youth section mainstream recurrent budget, including community relations (youth & schools) was £3,992,000 and was allocated across a range of key areas to ensure a multiplier return from limited resources. The following diagram illustrates the distribution of the youth section recurrent budget for 2006–2007.



The emphasis placed on support to local communities and volunteering encouraged a very positive participation rate from both young people and adults in the management of Youth Services. This assisted the provision and delivery of additional opportunities at a local level. The success and effectiveness of the services offered was illustrated through surveys carried out with young people and their parents. Both surveys indicated a “satisfactory or better” rate of 80%.

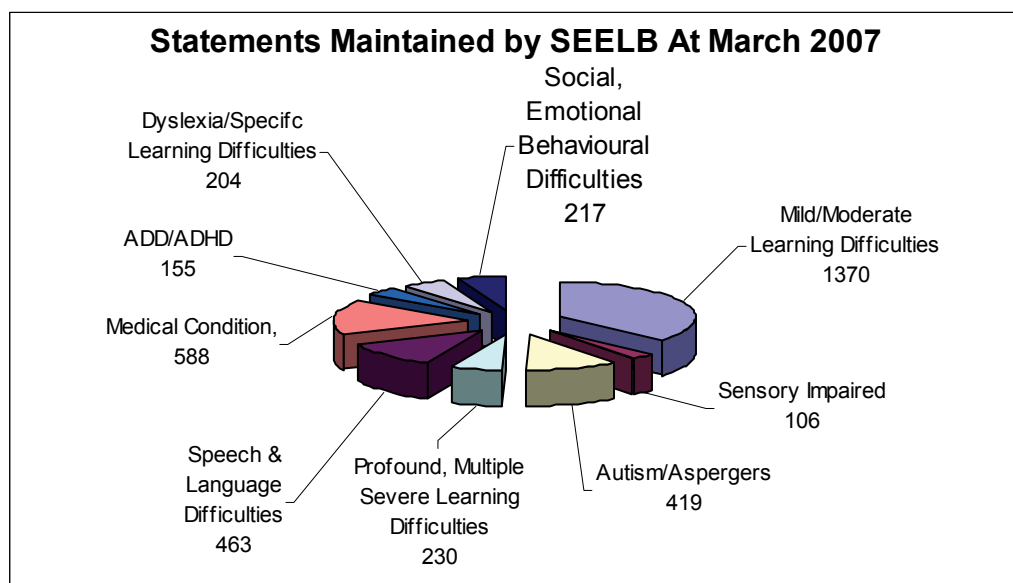
During 2006–2007 key facilities, including Ardcarnet Youth Centre, Ards Youth Resource Centre and Ardnabannon Outdoor Education Centre, were refurbished. This work provided much needed additional facilities and enabled many young people to experience beneficial and enjoyable educational programmes.

Features of Curriculum initiatives within the Youth Section during the year included the expansion of School Based Youth Work to include Community Relations projects and Health Education initiatives, as well as the establishment of five Outreach Projects to address specific needs in rural areas throughout the Board.

Special Education

The Board commenced 395 statutory assessments during 2006-2007 and completed 100% of them within the statutory timescale frame subject only to the exemptions as outlined in the Code of Practice.

The Board continues to maintain a high level of statements and at 31 March 2007, there were 3752 children with statements as detailed below:



During the year 2 Transitions Officers were appointed to augment the work on transition planning for young people with statements of special educational needs aged 14+ years of age.

Lakewood, a new joint health and education provision for Looked After Children in secure accommodation was opened in September 2006.

The SEELB has worked with a number of partners, including Health, Department of Education, Education & Training Inspectorate and The Lindsay School to develop a new educational model for children and young people with mental health issues.

During the year the SEELB commenced work on a review of the provision for children with special educational needs. The objectives of the review are:

To devise a revised and sustainable strategy to improve the culture, policies and practices within the education service for pupils with additional and special educational needs.

To seek consensus on the development of the sustainable strategy for SEN and inclusion through partnership working and effective consultation mechanisms.

Remove barriers to access, participation and inclusion, by ensuring the effective and efficient use of resources.

These objectives will continue into 2007/08.

Education Psychology Services

During 2006-2007 the Education Psychology Section addressed the following targets in the Board's Resource Allocation Plan.

A Senior Educational Psychologist was appointed to a specialist post to work with pre-school children and to develop a service for children in funded playgroup places. Contact has been established with providers of funded playgroup places with a view to setting up training events for staff on the operation of identification and referral systems for children with special educational needs.

In accordance with the approach set out in the inter-Board Regional Strategy for Autistic Spectrum Disorder (ASD), the Senior (Specialist -ASD) Educational Psychologist successfully completed a course at Trinity College Dublin and was awarded the internationally recognised qualification in applied behaviour analysis (Associate Board Certified Behaviour Analyst).

In accordance with the recommendations of the Regional Task Group report on Dyslexia, the section operated a screening procedure to process more speedily referrals made by schools of pupils with suspected specific learning difficulties (dyslexia).

Fact File

Educational Psychology 2006-2007

| | |
|---|------|
| Total number of individual assessments | 1762 |
| New Stage 3 assessments | 563 |
| Screening assessments (dyslexia) | 229 |
| Total number of Advices in connection with the Statutory Assessment procedure | 520 |
| Contributions to Annual Review Process (Involving individual assessments) | 371 |
| Other work at Stage 4 and 5 | 710 |
| Transfer Assessments | 79 |

Behaviour Support Team

The Special Educational Needs Adviser and The Behaviour Support Team work together to provide advice and support for Principals, Special Educational Needs Co-ordinators (SENCOs), teaching and non-teaching staff in areas related to understanding and managing Special Educational Needs and Promoting Positive Behaviour. Throughout the year 2006–2007 all school-based support was tailored to meet the needs of individual schools, and evaluations from school-based and centre-based training have been positive with 95% of respondents rating training and support as either very helpful or helpful.

Key areas addressed during the year and the number of schools/teachers who received support are shown in the tables below:

| School Based Support | |
|---|--|
| Area of Work | No of Schools / Teachers |
| Assertive Discipline Programmes | 9 Primary Schools 4 Post Primary Schools 2 Special Schools |
| Beginning Teacher Support | 15 Beginning Teachers |
| Individual teacher support (SEN/PPB) | 72 SENCOs and class teachers |
| Link Officer support | 11 special schools 15 primary schools |
| Social Emotional and Behavioural Difficulties (SEBD) consultation pilot | 4 primary schools 2 post primary schools |
| Team Teach course | Alternative Education Provision 2 “mop up” courses |
| Team Teach Re-accreditation | 1 special school |

| Centre based and School based Support | | No of Trainees |
|--|--|--|
| Centre based training for Classroom Assistants | Promoting Positive Behaviour - 3 x 3 days | 71 Classroom Assistants |
| Dip PD (Inter-Board) for SENCOS & SEN Teachers | Modules 2 & 3 | 14 SEELB Teachers |
| Inter-Board Beginning Teachers (Special) | 6 days SEN training | 26 Beginning Teachers |
| Revised Curriculum | Curriculum Leader training Year 1 & Year 5 training | |
| SEELB Beginning Teachers | 1 x 2 day course Managing Special Needs/Behaviour | 16 Primary Beginning Teachers |
| SEELB Beginning Teachers (Conference) | Challenging Behaviour SENDO | 64 Primary Beginning Teachers |
| SENCO Cluster Groups | Primary - 13 sessions Post Primary - 5 sessions | 225 primary SENCOs 73 Post Primary SENCOs |

Educational Welfare Service

The Education and Training Inspectorate (ETI) published an initial survey of the Education Welfare Service in Northern Ireland in 2003. In May 2006 a follow-up Report was published which highlighted again significant strengths in aspects of provision within the Education Welfare Service including:

- The high standards achieved by the Education Welfare Officers in their professional approach and commitment to the welfare of children and young people;
- The view reported by parents and schools that the Education Welfare Service provided a much valued level of support to schools and pupils;
- The trend towards more preventative and imaginative project work in the primary sector; and
- The successful links developed with other agencies to support the work of the service.

A key aspect of the work of the Service during 2006-2007 has been the strengthening of arrangements to support schools to deal with Child Protection matters. A Child Protection Helpline was established during the year, operating each weekday from 9.30 am – 4.30 pm during which time Designated Officers are available to provide advice, guidance and support for Designated Teachers on the handling of child protection issues. During the first 6 months of its operation the Helpline received 257 calls from across the range of schools. The majority of calls received (126) were from primary schools.

During the year the Designated Officers for Child Protection have also provided training to a range of groups including:

- Designated Teachers for Child Protection
- Deputy Designated Teachers for Child Protection
- Home Tutors
- Members of Boards of Governors
- Staff working in Alternative Education Provision

Alternative Education Provision (AEP)

During 2006-2007 Alternative Education Provision provided 118 Key Stage 4 places and 9 Key Stage 3 places for pupils within the SEELB area. A new development within Alternative Education in September was the inclusion of Intensive Support Units previously educated through Lakewood School in Bangor (with residential units based at Craigmore Children's Home and North Road Children's Home). This development increased the places for students by 12 and the multi-disciplinary staff team was expanded to include three additional teachers, a senior youth worker and a learning support assistant increasing the total staff team to 25.

A total of 4 Post Primary Schools benefited from a variety of programmes delivered by 4 staff with an average of 120 hours input per programme. The focus of the programmes was to support young people and schools to develop integration programmes for students returning to education after long periods of suspension, or expulsion from a previous school.

The Looked After Children Primary Tutor provided one to one support for 18 school children, developing individual support packages for both Maths and English as well as supporting foster carers in the general educational development of the children in their care.

Accommodation was increased during the year by the siting of a new 4 classroom mobile on the site of Lisnasharragh High School, the development of a unit on the Ardmore House estate and the acquisition of Redburn Clinic to provide a permanent base for students from the Ards area.

During the year, AEP staff completed an intensive programme of training in a variety of subjects including:

Child Protection

Fire Awareness

Attachment Disorders

Role of Social Services

The Enhanced Curriculum

Curriculum Development

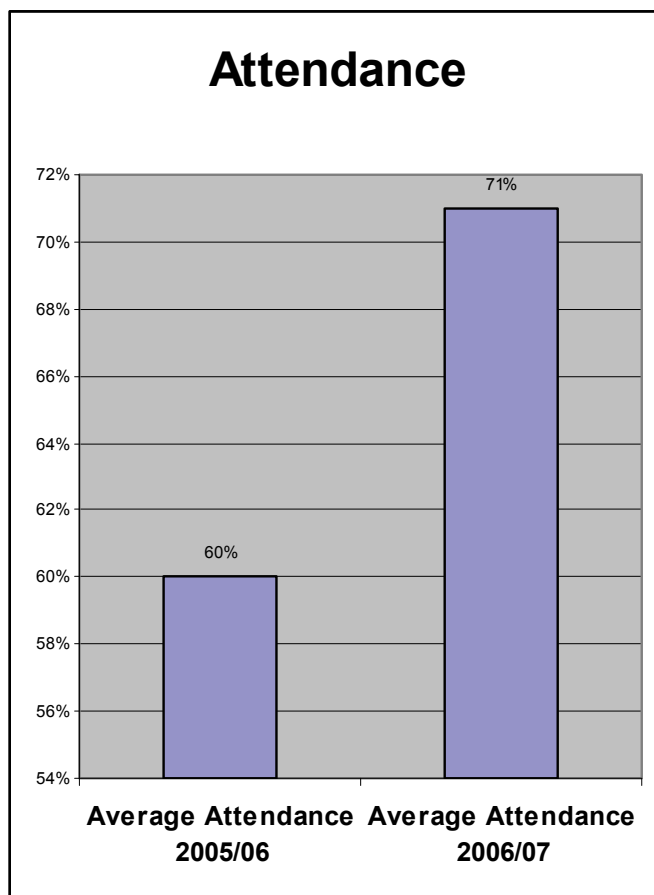
Team Teach

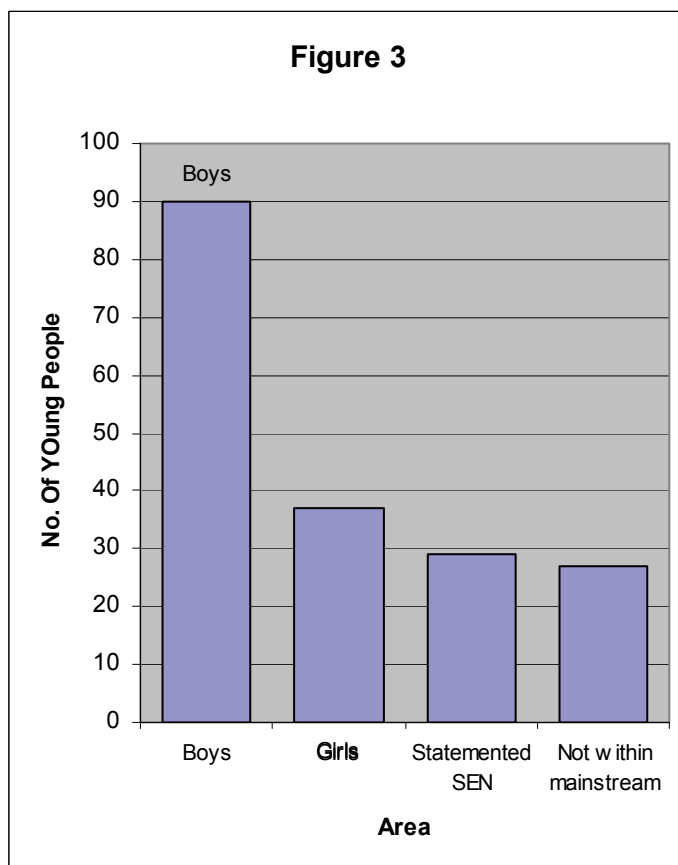
Links with Juvenile Justice

The introduction of a new curriculum and new awards for students have led to an improvement in the results achieved during the academic year. Attendance levels also improved. The tables below provide more information about the numbers of pupils receiving support from AEP, their academic successes and their attendance levels.



Figure 2





Down Lisburn Partnership

Following a review day held in March 2006, led by an external facilitator and attended by a range of staff from both organisations, including the Chief Executives, the work programme in 2006-2007 centred on 4 new themes:

- Safeguarding Children
- Emotional Wellbeing;
- Autistic Spectrum Disorder
- Healthy Schools

In addition it was agreed that the long standing Looking After Children (LAC) group should be retained and during this year agreement was reached to expand the SEELB/DLT LAC working group to include the Belfast Education and Library Board (BELB), all Health and Social Services Trusts in the Eastern Health and Social Services Board area (EHSSB) as well as voluntary groups. This group will now act as the LAC Education Co-ordinating group for the EHSSB for at least the next year until the Review of Public Administration is implemented within the education sector.

A Chief Executives' Forum was held in February 2007 when members reported back on progress to date. Due to the record of cooperation between the two organisations, the SEELB and the, soon to be, South Eastern Health and Social Care Trust (resulting from the merger between the Down Lisburn Trust and the Ulster Community and Hospitals Trust) are in a good position to continue to lead and further develop joint working between the two organisations.

Transfer/Open Enrolment

The Transfer and Open Enrolment 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.

Statistics in relation to the work of the section during 2006-2007 set out in Appendix 2.

Music Service

During 2006-2007 the Music Service delivered:

- The Instrumental Teaching Service to 2535 pupils in 122 schools in the SEELB
- 37 instrumental workshops in 25 schools in the SEELB.

A total of 783 students taught in school and at the District Centres took examinations with the Associated Board of the Royal Schools of Music. The pass rate was 98%.

A total of 144 advanced students received weekly, individual tuition at the District Centres in Bangor, Castlereagh, Downpatrick and Lisburn and solo performances were given by 27 advanced students at public Performance Evenings in the four District Centres.

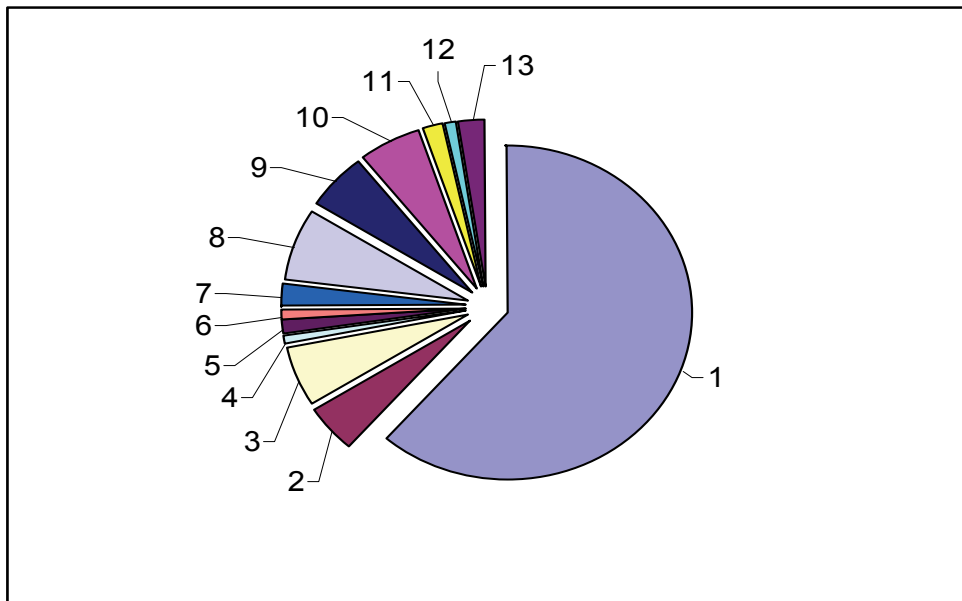
A total of 773 students were involved in 13 Music Service bands and orchestras. During the year these bands and orchestras gave 7 public performances at venues ranging from the Waterfront Hall to the Ulster Museum, Lagan Valley Island and the Whitla Hall.

FINANCE SERVICES

How the Board spent its money in 2006/2007

£'000

| | | |
|----|---|---------|
| 1 | Schools delegated funding | 151,660 |
| 2 | Support for SEN in Mainstream (including Special units) | 11,474 |
| 3 | Other school costs met centrally | 14,164 |
| 4 | Curriculum advisory & support | 2,321 |
| 5 | School meals service | 3,525 |
| 6 | Building maintenance | 1,798 |
| 7 | Headquarters (including 5 Board services) | 5,674 |
| 8 | Special education (non-mainstream) | 17,102 |
| 9 | Home to school transport & road safety | 13,759 |
| 10 | Other, including earmarked initiatives | 13,524 |
| 11 | Youth services | 4,122 |
| 12 | Further and Higher Education | 3,049 |
| 13 | Public Library Service | 5,356 |
| | | 247,528 |



In 2006/2007, the Board also spent £12,696K on capital schemes across the schools and libraries estate.

Local Management of Schools (LMS)

In 2006-2007, the LMS Unit, as part of its Service Plan, provided high quality financial planning and management information to meet the needs of School Principals and Boards of Governors of schools. Training on financial planning was provided to Boards of Governors and new Principals, with a particular emphasis on the three year planning process.

The LMS Unit established a team of school advisors to monitor schools' financial positions on an ongoing basis. The Advisors provided advice and support to individual schools, ensuring that they put in place agreed actions as set out in their financial plan. The Unit also continued to provide reports electronically to schools on a monthly basis.

| Performance against Resource Allocation plan targets | | |
|---|--|--|
| Target | Achievement | Comments |
| By June 2006 to have completed assessments of all schools' three year financial forecasts, in the context of 2005/06 estimated outturn positions and previously agreed recovery/spending plans and to have agreed amended recovery/spending plans where necessary | Not achieved for all schools, although the majority of schools had completed three year plans by March 2007. | Significant improvements in the three year planning process have been implemented through the use of LMS advisors |
| By June 2006 to have agreed with all schools reaching a deficit position of more than 5% for the first time at the end of 2005/06, viable recovery plans through which the deficits would either be eliminated or reduced so as to be within 5% or £75K, whichever is the lesser amount) of budget by 31st March 2009 | Not achieved for all schools, as the three year planning process was still being rolled out. | This area will continue to be a high priority in 2008/09 |
| By June 2006 to have agreed with all schools reaching a surplus position of more than 5% or £75K (whichever is the lesser amount) for the first time at the end of 2005/06, spending plans that ensure surpluses are spent in a planned way for the educational benefit of pupils. | Not achieved for all schools, as the focus of attention was initially on schools in deficit. | The Board believes that this target needs to be applied flexibly and cautiously in small schools, where 5% of the budget may not be sufficient to enable realistic financial planning for the future |

Budgetary Control

During 2006-2007 a new Budget Manual was developed, which outlines the roles, responsibilities and processes around managing all elements of the non-school budgets.

The Budgetary Control Unit also developed a revised suite of financial reports for non-school budget holders which are issued on a monthly basis. These reports have a hierarchical structure and are based around 3 levels of information:

- Level 1 for Senior Management/Board Members/Commissioners
- Level 2 for Committee and
- Level 3 for individual Budget holders.

The Unit also continues to provide support and advice with the preparation and input of budgets. Staff answer queries and provide information for all non-school budget holders as well as the main funding bodies.

Financial Control

During 2006-2007 the Financial Control Unit continued to carry out a central control function and manage the Bank Account reconciliations, journal processing and General Ledger maintenance.

Accounts

Statistics relating to the work of the Accounts Unit is 2006-2007 are shown in the table below.

| | Number | Value £ |
|-------------------------|---------|-------------|
| Invoices processed | 126,674 | 99,971,682 |
| Travel claims processed | 6,694 | 387,802 |
| Invoices created | 987 | 1,887,502 |
| Credit notes produced | 226 | 305,652 |
| Income received | | 141,852,560 |

| Performance against Resource Allocation plan targets | | |
|--|----------------------------------|---|
| Target | Achievement | Comments |
| By March 2007, have increased the % of invoices received and paid within 30 days from 50% to 55% | Not achieved – actual result 43% | In 2007/08, the Board will review the method of processing invoices in order to improve performance in this area. |

Payroll

The Payroll Unit is responsible for the payment of all non-teaching staff, including 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 union 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 2006-2007 the Payroll Department:

- Paid 7,388 individual employees engaged in over 12,360 individual posts, making all payments on schedule
- Moved to ensure 100% compliance with BACS payment, in line with the requirements of the new payroll
- Processed a successful parallel run test of the new payroll system, prior to transferring to the live system in April 2007.

Student Finance

The new financial support arrangements for variable tuition fees, together with the implementation of the new Protocol computer system, were successfully introduced in 2006-2007.

The five Education and Library Boards Student Finance Sections, now collectively called Student Finance NI, in partnership with the Student Loans Company, comprehensively reviewed and updated Student Finance systems and procedures. The Unit continues to seek to improve the effectiveness and efficiency of the service, and to deliver accurate and timely entitlement of financial support for students.

The restructuring and improvement of the existing online application process continues to be a priority for future requirements. The Unit, in conjunction with the Student Loan Company, is developing the on line application process to make it more user friendly.

Inter-Board Financial Systems (iFS)

In addition to the functions outlined above, which are specific to the SEELB, the Finance Services Unit hosts the Interboard Financial Systems (iFS) support team, which supports the financial information system in all 5 Boards.

During 2006-2007 the iFS team achieved the following:

- a financial systems archive and purge specification was developed, tested and finalised.
- Boards' site servers were upgraded
- a full 5-Board contingency test was completed
- the Uniform Grants interface was rolled out
- The Fixed asset system was upgraded
- PFI and iFS service targets were met or exceeded
- An internal reorganisation was successfully completed
- Training was provided for Board and iFS staff
- All iFS staff qualified in PRINCE II methodology.

Procurement

In early 2006-2007 a reassessment of the Centre of Procurement Expertise (CoPE) status was undertaken of the Procurement functions in all 5 Boards by external consultants on behalf of the Central Procurement Directorate (CPD). The NI Procurement Board considered the findings at their May meeting and concluded that, in the light of progress made, the Education and Library Boards should retain their CoPE status.

During the year further progress was made with the ELBCat website and many more schools have started to use it to assist with the sourcing of items and to raise initial furniture and equipment and ear marked funding requisitions. The site features well over 6,000 products from more than 400 suppliers, with web links to selected supplier sites and general purchasing advice.

The ELBCat requisitions are transmitted to the Board Headquarters for processing on the Board's Oracle Financials System without the need for any re-keying of information by Procurement staff. This also reduces the time between ordering and receiving goods. The resulting Oracle purchase orders are then sent to suppliers, some by e-mail, to complete a fully end-to-end electronic process. 1735 requisitions were received in the year from ELBCat, almost a third of all the requisitions processed.

Good communication with schools remained a key priority and during the year Procurement Newsletters were produced and sent to every school and centre. A total of 4 issues of the newsletter was produced containing sourcing advice, details of new contracts, ordering information and key contact information. Further issues are planned in the year ahead.

Co-operative working between the 5 separate autonomous ELB Procurement Sections that share Centre of Procurement Expertise (CoPE) status has continued with many 5 Board contracts re-tendered during the year.

This was another busy year for school extensions, refurbishments and new builds and the Procurement Section advised and assisted schools to source and order new furniture and equipment. In addition our staff in Purchasing Stores, registered with the Department of Environment NI as a Waste Carrier, collected surplus furniture and equipment to allocate to other schools or for safe disposal within the strict requirements of the Waste Management laws.

In September the Board's Procurement Service signed a Service Level Agreement with NILGOSC to meet all their procurement requirements.

Statistics in relation to the work of the section during the year are listed in the table below:

| Transaction | Number |
|-----------------------------------|---------------|
| Electronic requisitions processed | 5,516 |
| Purchase orders placed | 5,569 |
| Tenders processed | 30 |

| Performance against Resource Allocation plan targets | | |
|--|--------------------|---|
| Target | Achievement | Comments |
| By March 2007, have delivered a further 1% reduction in procurement costs on centre budgets and ASB on top of the 1% achieved in 2005/06 (i.e. a cumulative total of 2%) through more efficient procurement arrangements | Not achieved | The Board already operates highly competitive contracts and it is difficult to achieve further savings in this area. Schools do not always utilise Board contracts. |

School Catering Services

The School Catering Service continues to focus on the Healthy Eating Initiative with emphasis on marketing the service, being aware of customer requirements and changes to legislation and policies. Since September 2006 all SEELB kitchens have been working within the nutritional guidelines introduced by the Department of Education where a whole school approach is encouraged to ensure the school and kitchen are working towards the same goal.

Training and developing staff is an ongoing process within the service and staff are currently being trained in Level 1 "Providing Healthier Schools Meals Service". By March 2007 approximately 40% of staff will have attended this course. Other training courses organised during the year included:-

- Racism Training
- Basic Hygiene Training
- BTEC Professional Award in Training
- IT Salary Training

Function Catering throughout the year ranged from barbeques in Gannoway Youth Centre, the official opening of Regent House School and St Ita's Primary School, breakfasts for North Down Principals and the official opening of a number of Multi-use Games Areas attached to schools. Tullycarnet Primary School hosted the official launch of its "Sure-Start" programme at which a number of distinguished guests, including the Minister of Education, Maria Eagle MP enjoyed afternoon tea provided by the School Catering staff. Catering was also provided in February for over 900 teachers attending in-service training days at 3 different venues. A Health Promotion Day was organised in Lough Moss, Carryduff which was very successful and well attended. These functions provide a positive image for the service as well as generating much needed extra income.

The kitchens in 8 primary schools and one secondary school have introduced breakfast services and healthy breaks under the Extended Schools Funding. These services have proven to be beneficial to behaviour and learning ability within the classroom and give the children a nutritional start to their day.

The Area Managers are constantly monitoring and reviewing services in conjunction with Principals and Health Co-ordinators within schools. Several groups have been established and meet on a regular basis to assess and evaluate the catering service provided within their schools.

One new kitchen was opened during the year at Dundonald Primary School and the new extension at Castlewellan Primary School included a servery. Both these units are designed to the highest specification with uptake and choice of service increased.

During the year the Catering Management Team attended School Open Nights, met with P1 parents, attended PTA groups and made presentations to potential Nursery parents. These sessions offer both Catering Staff and Parents the opportunity to discuss menu choices, services available and also identify any special dietary requirements of pupils.

The Northern Ireland School Catering Association presented the following awards to Catering Services staff at its Annual Dinner in the Quality Inn, Carrickfergus in December 2006

PAULINE LOGAN, AREA MANAGER

N Ireland School Catering Manager of the Year

NEWTOWNARDS MODEL PRIMARY SCHOOL

SEELB Primary School Kitchen of the Year

BANGOR ACADEMY & SIXTH FORM COLLEGE (Clanmorris Campus)

SEELB High School Kitchen of the Year winner

ANNA BARNES, BANGOR ACADEMY & SIXTH FORM COLLEGE (Clanmorris Campus)

SEELB Canteen Person of Year

| Performance against Resource Allocation plan targets | | |
|--|---------------------------|---|
| <i>Target</i> | <i>Achievement</i> | <i>Comments</i> |
| To ensure that the food content of nursery, primary and special meals is at least 50p and post-primary meals is at least 60p | Achieved | |
| To roll out Nutritional Standards to all Board school kitchens by March 2007 | Achieved | |
| To increase the overall uptake of free school meals among eligible pupils by 2% | Not achieved | The roll-out of Nutritional Standards has unfortunately resulted in reduced uptake among pupils |
| To reduce the differential in uptake of free school meals between the controlled and maintained sectors by at least 1% | Not achieved | The roll-out of Nutritional Standards has unfortunately resulted in reduced uptake among pupils |

Cleaning Services

During 2006-2007 the cleaning service:

- Continued to review service provision across the range of buildings, implementing new working practices such as split shifts, daytime cleaning and extended working hours in order to provide a flexible service that meets the changing needs of schools while improving the service's ability to attract and retain staff.
- Reduced overall absence from 5.6% (2005-2006) to 4.8% (2006-2007) through a series of management initiatives.

- Maintained satisfaction levels of 97% recorded monthly across the range of buildings where Service Level Agreements are in operation
- Participated in a Best Value Fundamental Review of the building cleaning service, initiated at the direction of the Secretary of State, across the five Education Boards. The review is managed by Central Management Support Unit and commenced in January 2007 with completion anticipated by December 2007.

Grounds Maintenance

Grounds Maintenance continues to provide services for all SEELB sites. The service includes maintenance of sports, amenity and landscaped areas.

In addition the Grounds Maintenance service carries out extensive hard and soft landscaping and arboriculture work. The Grounds Maintenance Service is developing partnership arrangements with the SEELB Building Maintenance Department for provision of playground safety areas and playground equipment.

Seasonal working arrangements have been successfully introduced to reflect the needs of customers. All new entrants to the service received intensive hands on induction training.

Catering/Hospitality and Caretaking Services

During the 2006-2007 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 school staff on training courses and other staff and organisations associated with the Board. Customer care and value for money within financial and staffing restraints are of high importance in service delivery and 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 provide satisfaction.

ADMINISTRATION SERVICES

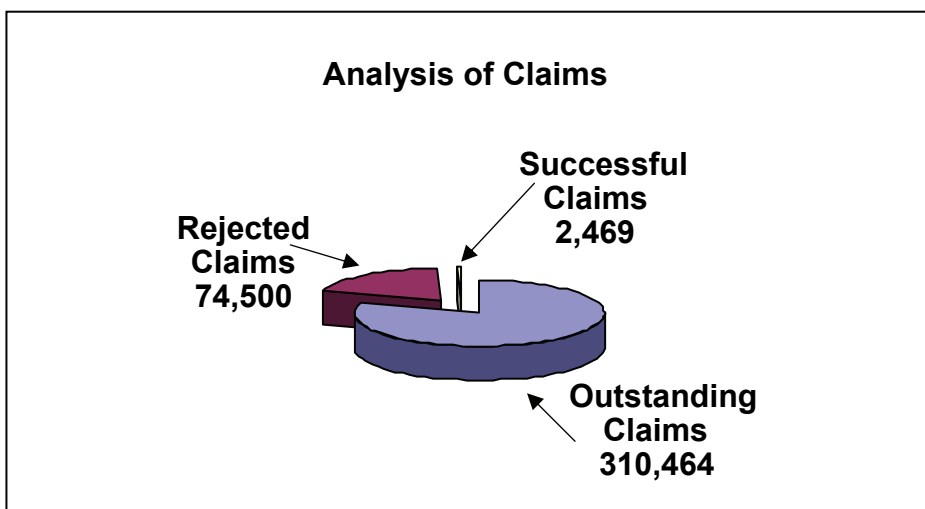
Claims and Legal Administration

The purpose of the Claims and Legal Administration Unit is to provide a legal and insurance service meeting the needs of school Principals, Boards of Governors and Headquarters' units.

The Unit is responsible for the management of the Board's insurance portfolio, educational visits scheme and the defence of public and employers' liability claims and in 2006-2007 also managed public and employers' liability claims for the Belfast Education and Library Board through a Service Level Agreement.

During 2006-2007 50 liability claims were investigated with a total liability of £363,452.

Analysis of Claims



A full breakdown of the figures is shown in Appendix 3.

Home to School Transport

The main purpose of this Unit is to provide a home to school transport service for eligible pupils. In addition the Unit provides transport for the delivery of school meals, visits by pupils to libraries, music functions, youth activities and summer activity schemes. The Unit is also responsible for the management of the school crossing patrol service.

During 2006-2007 home to school transport assistance was provided for 20,027 pupils at an average overall unit cost of approximately £672.

Board Expands Transport Fleet

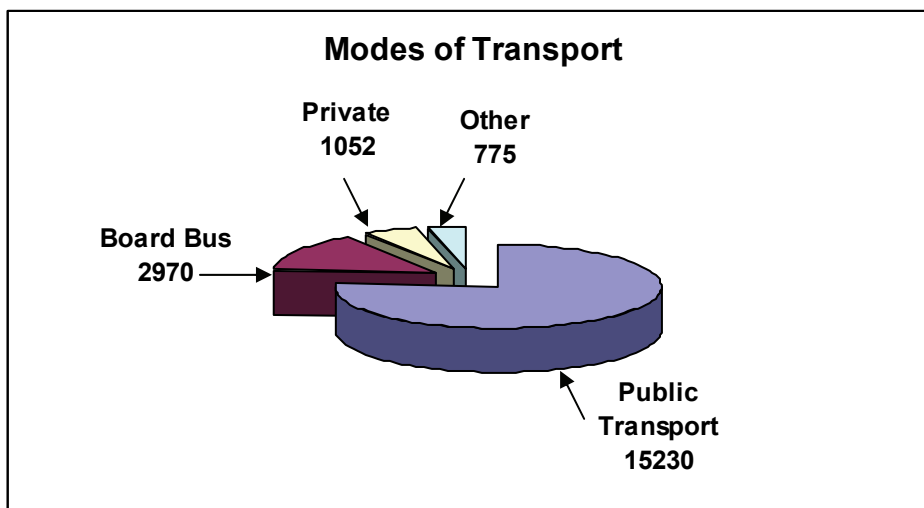
During 2006-2007 the Board purchased an additional 8 minibuses. This expansion of the transport fleet has allowed the Board to continue the transition of home to school transport operation from privately-operated vehicles to Board operated vehicles.

In addition to this, the Board has also purchased an additional 6 minibuses to accommodate the abolition of the 3-2 seating rule which becomes effective on 1 April 2007.

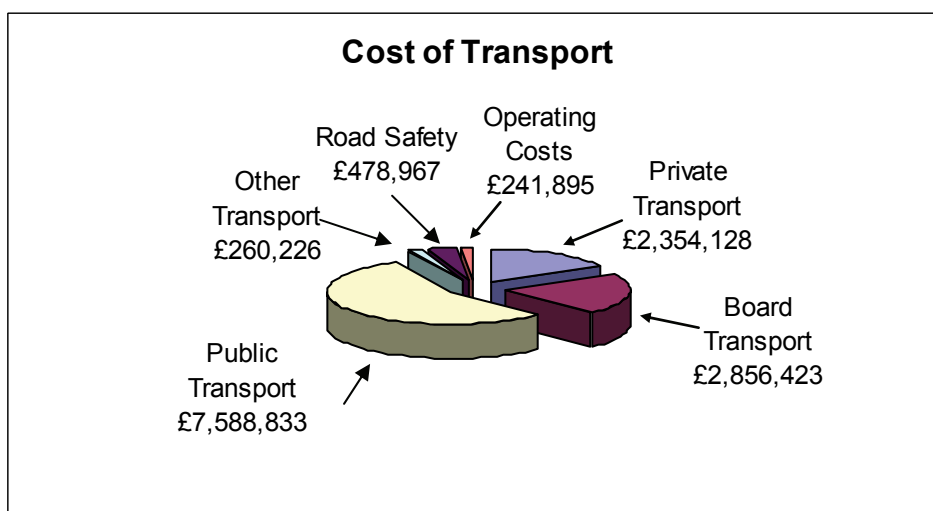
The continued employment of part-time drivers has enabled the Board, through a more flexible structure, to provide a more cost-effective service for the future.

Analysis of Home to School Transport

Mode of Transport



Cost of Transport



A full break-down of the figures is shown in Appendix 4.

| Performance against Resource Allocation plan targets | | |
|---|---------------------------|---|
| <i>Target</i> | <i>Achievement</i> | <i>Comments</i> |
| By March 2007 to have identified and implemented measures designed to deliver the target efficiency savings in home to school transport | Achieved | The Transport Unit purchased 11 buses from its capital allocation, facilitating the replacement of taxi provision and saving £207K. In addition, the review of bus routes by the unit secured a further £291K savings |

Human Resources

The purpose of the unit is to provide advice and support to school governors, principals and managers in youth, library and Headquarters Units on human resources policies and practices. The Unit is responsible for administering the recruitment and selection of staff, equal opportunities, employee relations, job evaluation, staff welfare and staff appraisal.

In addition, officers have worked closely with other Boards to streamline the Recruitment and Selection process under the umbrella of 'Shared Services'. All documents and processes were examined to ensure consistency of approach and to take account of recent employment legislation.

As part of the strategic approach to the management of attendance in schools, the Board commenced a pilot research study on teacher absence. The results of this analysis have formed the basis of a strategy to examine good practice and barriers to successful attendance management. The Board has invested in the employment of a part-time officer who will be specifically charged with assisting schools with the management of teacher absence, including the provision of advice and support on the Managing Attendance Policy and particular areas of concern. Training sessions and workshops as well as one-to-one support for more complex cases and the marketing of the confidential Staff Care Service will also be provided.

During 2006 -2007 the Board took action to comply with The Employment Equality (Age) Regulations (Northern Ireland) 2006 which came into force on 1 October 2006. A wide range of policies and procedures was reviewed including those pertaining to recruitment, retirement, redundancy and harassment, together with certain benefits based on length of service. Any elements of the procedures or practices likely to conflict with the age requirements were addressed and recommendations progressed to the relevant negotiating bodies.

| Performance against Resource Allocation plan targets | | |
|---|---------------------------|--|
| <i>Target</i> | <i>Achievement</i> | <i>Comments</i> |
| To achieve an annual reduction of 6 – 7% in the level of teacher sickness absence | Achieved | In 2005/06 an average of 8.41 days was lost through teacher absence. During 2006-2007 this figure was reduced to 7.76 days – a reduction of 7.7% |

Further figures relating to recruitment and equal opportunities are detailed in Appendices 5 and 6.

Learning and Development/Learning Support

The Learning and Development Unit continued to provide opportunities for personal and professional development for non-teaching staff across the Board.

Support was provided for 46 non-teaching staff undertaking accredited programmes through local further education institutes and with the Boards' Regional Training Unit. A particular focus during the year was the new portfolio of Management programmes accredited by the Institute of Leadership & Management and the Chartered Management Institute.

More than 70 staff attended seminars and conferences outside the Board, and the Unit worked closely with colleagues in the other Boards to organise specialist training as required.

A comprehensive programme of caretaker training, with 17 caretakers participating in cohorts 22 and 23, was completed during the year. Provision of essential skills was ongoing for frontline staff in conjunction with the local Further Education Colleges. A small group of staff participated in the pilot for the new NVQ 2 qualification in caretaking.

The Unit continued to support professional development programmes for specific areas within the Board; examples of which include training for Personal Assistants, and 'Continuous Professional Development' for Education Welfare staff.

In addition the Unit organised a series of Governor training events. Governors from 200 schools participated in a wide range of training including Child Protection, Recruitment and Selection, Financial Planning, Performance Review and Staff Development, School Development Planning, Health and Safety and the Revised Curriculum.

Best Value

During 2006-2007, the Unit assisted with a Best Value Fundamental Review of the Education and Library Boards' Building Cleaning Service in collaboration with the Boards' Central Management Support Unit. The review was initiated at the request of the Secretary of State, Mr Peter Hain MP, in response to his decision to exclude cleaning services in schools from PPP contracts. The review will examine how current performance could be improved in value for money terms when considered as a whole service on a cross- Board basis, and to anticipate how the service will operate on the implementation of the new Education and Skills Authority. In addition the review will challenge existing arrangements and produce meaningful comparisons and benchmarks, both internally and with external providers.

Performance Review and Staff Development

During the year 4 new External Advisers were appointed, establishing a complement of 16 supporting those Governors reviewing Principals' performance. All schools received support from an External Adviser and 97% of schools completed the process successfully within the year.

| Performance against Resource Allocation plan targets | | |
|--|--------------------|--|
| <i>Target</i> | <i>Achievement</i> | <i>Comments</i> |
| By March 2007 provide PRSD Review training for external advisors as required | Achieved | In collaboration with RTU's provision of Review Training, the Board provided support for its 16 External Advisors through the provision of 1 Induction course and 2 Network meetings. Course evaluation sheets indicated the meetings were very well received. |

Equality (Section 75)

During 2006-2007 the Board continued to comply with the duties placed on public authorities to promote equality of opportunity and good relations. The Board ensured that its whole range of policy decision-making was further mainstreamed through the effective monitoring of equality issues. Several screening exercises were carried out during the year in relation to the Board's rationalisation of schools programme.

Property Services

The principal aim of the Board's Property Services Department is the provision of well-designed and well-built schools, youth facilities and libraries which inspire users and add value to learning. During 2006-2007 the fully refurbished Newtownards Model Primary School was opened. This is a flagship project whereby the character of a listed building has been retained while at the same time providing state of the art teaching facilities. The project has been short listed for a Royal Institute of Chartered Surveyors award. Major capital schemes continued to be progressed on site at Ballyholme Primary School and Saintfield High School.

Design work continued in relation to:

- Ballinderry Primary School – a replacement school for this growing rural area.
- Brookfield Special School– a single site replacement for a school which currently operates on a split site
- Bangor Library – the fusion of a new wing onto the original Carnegie building.
- Replacement buildings for Victoria Primary School, Pond Park Primary School and Towerview Primary School.

Due to on-going financial constraints maintenance was restricted to essential health and safety related issues and statutory duties, including Control of Asbestos at Work Regulations, Portable Appliance Testing Regulations and electrical wiring inspections. It is recognised that this approach cannot be sustained in the longer term without seriously damaging the condition of the schools estate. A project to survey the 'suitability' of the estate was commenced.

During 2006-2007, following consultation, the Board carried out reviews of controlled schools provision in Mid/South Down and Newtownards Town. The purpose of these reviews is to provide a strategic framework in which to progress a prioritised programme of capital development schemes.

Work continued on the Economic Appraisals for the following schemes:

| | |
|--|--|
| Ballywalter Primary School – new build | Ballynahinch Primary School – new build |
| Killinchy Primary School – new build | Spa Primary School – new build |
| Killard House Special School – new build | Saintfield High School – new Sports Hall |

The Economic Appraisal for Alternative Education Provision provision in Redburn was approved.

Substantial improvements are also made to school buildings through investment in Minor Works schemes. In 2006-2007, the total budget for Minor Work schemes was in excess of £4m, which was used to carry out a range of projects (each totalling less than £300,000) to improve the estate. These included:

- Steps, ramps and toilets in compliance with the requirements of the Disability Discrimination Act
- Additional classrooms at schools
- Specialist Accommodation for science and technology
- Security work such as CCTV, fencing and lighting
- Formation of sports facilities
- Upgrades to school meals accommodation
- Replacement of temporary by permanent build.

During the year the Board continued its rationalisation programme of the schools estate. Ministerial approval was given to the closure of Lisnasharragh High School (August 2008) and Charley Memorial, Drumbo, Groomsport, Hillhall and Lambeg Primary Schools (August 2007).

LIBRARY AND INFORMATION SERVICES

The Public Library Service (PLS)

The SEELB was allocated a recurrent budget of £5,634,000 and £515,000 for capital for its Public Library Service (PLS) and successfully delivered services within these budget limits. This included additional recurrent funding of £253,000 and £240,000 capital funding obtained as a result of successful bids to the Department of Culture Arts and Leisure (DCAL) for in-year pressures.

PLS Annual Budget (Recurrent) 2006 - 2007

| Recurrent Budget | £ | % of budget |
|------------------|------------------|-------------|
| Grant | 5,634,000 | |
| Staff | 3,421,000 | 60.72% |
| Stock | 828,000 | 14.69% |
| Other | 1,516,459 | 26.91% |
| Income | (131,459) | -2.33% |

This funding was used to staff and run 24 branch and 5 mobile libraries as well as Library Headquarters, provide many programmes in culture, information and learning and buy books and other resources. The Board had £14.17 (recurrent) per head of population to spend on library services.

Strategic Review of the Public Library Service

In May 2006, a major public consultation was conducted on proposed changes to opening hours in eleven libraries. Several public meetings were held in local communities and written submissions were invited. In August 2006, the Commissioners approved the recommendations which had been screened under the Equality Scheme and new opening hours were introduced in eleven libraries in September 2006.

The changes were designed to ensure that the service would remain within budget into the future and create more stability in staffing the opening hours in all 24 of the Boards libraries. A further result was that access was improved in 7 middle-sized libraries with a move from 5 to 6 day opening per week. Hours were reduced in four part-time urban libraries, all of which were in very close proximity to other larger libraries.

Providing Library Services to Individuals and Communities

In 2006-2007 the pattern of people using library services was as follows:

| | 2005/06 | 2006-2007 | % increase /decrease |
|-------------------|-----------|-----------|----------------------|
| Visitors | 1,341,080 | 1,374,620 | 2.43% |
| *Active borrowers | 64,803 | 60,932 | -5.97% |
| Issues | 1,578,170 | 1,513,597 | -4.09% |

*Active borrowers include people who have borrowed an item or used a computer since 31st March 2006. The active borrower total changes on daily basis reflecting library usage.

The service achieved more than the 1% target increase for visitors to libraries for 2006-2007, increasing the numbers by 33,540 (2.43%) over the 2005-06 figure.

The target was to maintain stock issues at 2005-06 levels so the 4.09% decrease was disappointing but it was an improvement on the level of decline recorded in the previous year. The decrease could be attributed, mainly, to the necessary delay in release of funds for new stock until after the mid year point and the reduced service (from a mobile library vehicle) in Newcastle and Donaghadee from November 2006 to March 2007 when those libraries were closed for refurbishment and access improvement work.

Lisburn City Library was extremely successful, recording 243,099 issues, and is now the busiest SEELB library. Bangor Library was second with 170,931 issues.

People used 323,976 IT sessions on the Public Access computers across all SEELB libraries, logging a total 12,533,350 minutes of use. Across the 5 Boards there were 255,779 hits on the ni-libraries website.

During the year unplanned library closures totalled an exceptionally low 56.5 hours, under 1% of total opening hours, an improvement on the total of 236.75 hours of the previous year. This can be attributed mostly to access improvements as an outcome of the Strategic Review of the Library Service.

Customer satisfaction with services remained unchanged from the previous year. Analysis of the Public Library User Survey (PLUS) conducted in SEELB libraries in November 2006 is awaited.

The Library Service continued to provide a wide and varied range of outreach programmes aimed at exploiting book, audio and visual resources for all ages as well as enrichment programmes in Culture, Information and Learning to enhance the library experience, increase participation, develop a love of reading and build cultural capital.

These programmes were designed to assist the DCAL key objectives of:

(a) Promoting Reading and Informal Learning

The SEELB PLS more than achieved the target set by DCAL for improving spending on books and other stock per head of population in 2006-2007. The target was to spend £1.50 per head and the PLS achieved £2.08 per head, a total sum of £828,000. This was largely achieved through measures agreed by the Board and the Commissioners to move funding from staffing and other budgets to the book/stock budget. In the previous year a major rebasing of the staffing budget had been designed to position the Board at the commencement of the 2006-2007 financial year to set aside sufficient budget to meet the DCAL target for book/stock expenditure. With the changes in opening hours and new staffing rotas the savings that had been predicted began to flow after September 2006. New books began to appear on library shelves during the latter part of the year.

The provision of more books and stock helped energise the regular programmes organised to meet the objective of promoting reading and informal learning.

Key highlights included the 6th SEELB annual Beyond Words Culture and Arts Festival held in libraries during one week in May 2006. The festival for all ages and interests hosted 18 events and 13 exhibitions.

Programmes for children and young people throughout the year included

- **Summer Reading Challenge** - 24 libraries with 942 children participating
- **Author visits** - 21 author visits in 19 libraries with 1300 children attending
- **Bookstart/Rhymetime sessions** in 7 libraries with 2005 children attending
- **Reading Gangs** - held bi monthly in 12 libraries
- **Teenage Reading Group** developed in Lisburn City Library

Programmes for adults throughout the year included

- **Bloomsbury Readers Day** – 3 major authors with 74 adults attending
- **Readers and Writers Literature Festival** - inaugural festival held in Lisburn City Library - 5 events with 100 people attending
- **Notes in November Music Festival** held in Tullycarnet Library. Another inaugural festival with 5 events and 250 people attending
- **Tullycarnet Yarnspinnners** – 10 sessions during the year with an average 100 people attending per session
- **Tale Tellers at Lisburn City Library** – replicating the winning formula of Yarnspinning at Tullycarnet, Tale Tellers was set up in Lisburn to introduce more people to storytelling. Events were held monthly and the audiences were developed with approximately 50-60 per session
- **Poetry Place at Bangor Library** – programme of 4 events and workshops throughout the year
- **Booker Night in Downpatrick Library** – (annual event) 103 people attended
- **Reader development** – reading groups in 14 libraries and outreach including Kilcooley Women's Group and Holywood Visually Impaired Reading Group

(b) Providing Access to Digital Skills and Services

Programmes to increase participation in digital 'e' services and reduce the digital divide included stock displays, exhibitions and 'e' week, the SEELB annual programme of 'e' events in libraries with over 200 people attending in 2006. In addition there were 295 Internet clinics, 16 Local History talks and walks with 300 people attending, a BBC RAW Garden Design Talk with 53 people attending. The SEELB PLS also participated in 'Celebrating Local History', a year - long celebration of local history organised by the Library and Information Services Council (LISC) NI. In SEELB libraries, 4 events were held with 180 people attending.

For children, 5 sessions of Cyber Club which assists children in understanding the importance of being safe on the web were provided. The regular programme of visits for school pupils to libraries continued.

(c) Tackling social exclusion, building community identity and developing citizenship

The public library service continued to assist in increasing participation in services, reducing exclusion and help develop citizenship including

- membership of and participation in the Tullycarnet Neighbourhood Renewal partnership and development of the draft vision framework and action plan
- membership of Downpatrick Neighbourhood Renewal partnership
- WEA/Help the Aged classes held weekly in Tullycarnet Library
- £80,000 book stock in eastern European languages purchased to reflect the widening use of libraries by people from other countries.
- newspapers and magazines for non English speakers
- ICT resources and access to Library staff expertise for non English speakers

(d) Improving the Library Infrastructure – Buildings

The programme to improve access and to modernise library premises continued with work in Newcastle and Donaghadee. Both schemes were completed successfully by the year-end. Bids for funding to upgrade two more libraries will be made in 2007-08.

Lisburn City Library flourished in its first full year of business, attracting many visitors and was the venue for several high profile events and exhibitions including ‘Reflections’ an exhibition of contemporary artwork from the collections of the Northern Ireland Civil Service and Office of Public Works Dublin and ‘Learning from Art’ an international touring exhibition that came to Lisburn City library via Chicago. The exhibition was the National Gallery of Ireland’s Millennium Project and consisted of work by children and young people from all counties in Ireland inspired by the national collection. Literature events also featured including another first in the Province - a Bloomsbury Readers Day and an inaugural ‘Readers and Writers’ Literature Festival.

A full café facility, a franchise operated by ‘the Streat’, was introduced in March 2007.

Work commenced on the Bangor scheme with the decant from the Carnegie library on Hamilton Road at the end of March 2007. The £2.3 million scheme will provide a modern 2114m² library, similar in size to the Lisburn City Library. The work will take 18 months and the library should be open in good time to celebrate the 100th anniversary of the opening of the Bangor Carnegie Library. The whole project has been an excellent example of productive co-operation and partnership between government, library service and local council. North Down Borough Council agreed to lease the Carnegie library to the Board for a nominal consideration thus helping progress the work.

The SEELB continued to work with the Department on the third main library capital priority, a new library for Newtownards.

The Library Service continued to develop partnership forged over many years with other providers for example local councils including

- Ards Borough Council – the Peninsula Festival
- Castlereagh Borough Council – Verbal Arts, Visual Arts and Dance Festivals
- Down District Council – Hearts of Down Festival
- North Down Borough Council - Aspects Writers Festival and Hollywood Jazz festival

The Education and Library Service (ELS)

The ELS commenced the year with a recurrent budget of £314,000 and provided services within budget limits. The Shared Service (BASE) with BELB continued to provide a range of services to the schools in both Boards, utilising very productively a reduced budget to support literacy and information development in schools. The SEELB cooperated throughout the year under the Review of Public Administration with the other Boards and the Department of Education in contributing to development of future policy for the Education/Schools Library Service.

The DE Resource Allocation Plan targets for 2006-2007 were achieved.

The ELS staff provided a professional advisory and resource service to assist in improving standards of literacy and numeracy as well as providing a range of books and other resources to enhance reading skills, information handling, develop imaginative thinking and foster creativity in young people. The targets and achievement were to:

| Performance against Resource Allocation plan targets | | |
|---|--------------------|--|
| Target | Achievement | Comments |
| Purchase 0.16 new stock items per pupil by March 2007. | Achieved | Purchase of 0.25 new stock items per pupil. |
| Provide 70 professional advisory visits to nursery and primary schools by March 2007. | Achieved | 88 professional advisory visits. |
| Provide 150 mobile visits to nursery and primary schools by March 2007 | Achieved | 154 mobile visits. |
| Host 162 teacher visits to Ulidia Resource Centre by March 2007. | Achieved | Hosted 185 teacher visits. |
| Tour the exhibition mobile to 31 post primary schools and facilitate 48 school visits to Ulidia to increase knowledge of stock and resources by 30 June 2006. | Achieved | Exhibition mobile toured 31 pp schools and 85 school visits to Ulidia ELS HQ were facilitated. |
| Develop and enhance the project loan service in line with the requirements of the existing and new curriculum by March 2007. | Achieved | 2,218 projects were issued to schools |

| Recurrent Budget | £ | % of Budget |
|-------------------------|----------|--------------------|
| Grant | 314,000 | 83% |
| Staff | 260,000 | 13% |
| Stock | 40,000 | 4% |
| Other | 14,000 | 0% |
| Income | 0 | 0 |

Corporate Information and I.T. Services

Board's Annual Celebration of Achievement

During November 2006 the Board hosted its 8th Annual Awards evening to celebrate the outstanding achievement of the young people within the Board's area. The event was held in the Lagan Valley Island Centre, Lisburn and was enjoyed by over 260 pupils, parents, school governors, Principals, Youth Leaders and VIPs. BBC TV presenter Donna Traynor compered the evening during which over 60 awards were presented to young people in the following categories: Academic success, the Arts, Community involvement, Pupil of Courage, Sports, Full Attendance, Youth leadership and Poetry. The event was sponsored by the Department of Education, Fujitsu, Northern Bank, PricewaterhouseCoopers and Translink.

Corporate Services

Corporate Information, Publications and Registry/Reception continued to provide a service to Board Units and schools, as well as dealing with a wide range of enquiries from external sources against a backdrop of reduced staffing. The Board also received 127 requests for information under the Freedom of Information Act 2000 and the Data Protection Act 1998. All requests were met within the legislative timescales.

Corporate I.T. Services

The focus over the last year was

on maintaining the Board's aging technical infrastructure which supports over 700 Board officers. Capital expenditure again concentrated on measures to reduce risks in relation to the infrastructure. Two key projects continued to be implemented with the IT Officers either leading in the implementation or supporting project teams.

(i) Applications Support and Development

Pupil Services:

This is a five-Board project with SEELB IT officers leading on 3 areas as well as undertaking a 'project facilitator' role for all Boards and Service modules continued to be reviewed to ensure commonality across all Boards. To date the integrated IT system has supported the operational processes for Special Education, Education Welfare, Psychology, Grants & Benefits, Transfer/Open Enrolment and Expulsions. The Transport Service started implementation of the new integrated system.

Payroll/HR Project:

Corporate IT Services continued to support the implementation of a five Board system. The first payroll completed two parallel runs and is due to go live in April 2007. IT officers were involved, not only on the Project Team but also on the Project Board which manages and controls the project on a five Board basis

(ii) Technical Support and Networking

The focus this year was on maintaining the ICT infrastructure. The Board has not been able to implement a planned refresh programme due to the financial constraints over the last 3 years. Capital funding was available to enhance the Board's backup system, replace a number of servers and network equipment. The Board's network contract was also tendered and implemented with a view to improving service and reducing costs. Work also commenced on migrating the Board's ICT infrastructure to Windows 2003 operating environment.

APPENDICES

Appendix 1: SEELB Key Stage, GCSE and GCE Performance

Appendix 2: Transfer/Open Enrolment

Appendix 3: Claims and Legal Administration Unit

Appendix 4: Home to School Transport

Appendix 5: Recruitment

Appendix 6: Equal Opportunities Monitoring Returns

SEELB KEY STAGE, GCSE AND GCE PERFORMANCE

| | <u>2003/04</u> | <u>2004/05</u> | <u>2005/06</u> |
|--|----------------------------|----------------|----------------|
| | <u>%</u> | <u>%</u> | <u>%</u> |
| <u>Key Stage Assessments¹:</u> | | | |
| Key Stage 1 Level 2+ English (%) | Not available ² | 95.9 | 95.2 |
| Key Stage 1 Level 2+ Maths (%) | Not available ² | 96.4 | 95.5 |
| Key Stage 2 Level 4+ English (%) | Not available ² | 80.4 | 79.9 |
| Key Stage 2 Level 4+ Maths (%) | Not available ² | 82.1 | 81.7 |
| Key Stage 3 Level 5+ English (%) | 71.9 | 71.8 | 73.1 |
| Key Stage 3 Level 5+ Maths (%) | 71.6 | 70.4 | 73.7 |
| Key Stage 3 Level 5+ Science (%) | 68.7 | 68.7 | 68.4 |
| <u>GCSE and A Level Achievements:</u> | | | |
| GCSE 5 A*-C (Secondary) (%) | 35.1 | 38.0 | 39 |
| GCSE 5 A*-C (Grammar) (%) | 96.1 | 97.0 | 97 |
| GCSE 5+ A*-C (Secondary & Grammar) (%) | 55.4 | 58.0 | 60 |
| GCE A Level 3+ A-C (Grammar) (%) | 66.4 | 70.8 | 72 |
| GCE A Level 2+ A-E (Grammar) (%) | 98.8 | 99.3 | 100 |

¹ Key Stage Assessments - Excludes Special and Independent schools

² 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.

TRANSFER/OPEN ENROLMENT**Pre-school Admissions – September 2006 intake**

| Year | Children admitted | Underage admitted | Appeals |
|-----------|-------------------|-------------------|---------|
| 2006-2007 | 4,134 | 420 | 12 |

Includes private/voluntary providers

Primary 1 Admissions – 2006 September intake

| Year | Children Admitted | Underage admitted (reception) | Appeals |
|-----------|-------------------|-------------------------------|---------|
| 2006-2007 | 4,285 | 156 | 0 |

Transfer Test

| Year | Sat Test | Opted Out |
|---------------|----------|-----------|
| November 2006 | 3707 | 1017 |

Year 8 Admissions – 2006 September Intake

| Year | Children Admitted | Unplaced (As at September) | Appeals |
|-----------|-------------------|----------------------------|---------|
| 2006-2007 | 3921 | 0 | 54 |

Suspensions/Expulsions as at 31 March 2007

| Year | Sector | No. Of Suspensions | No Of Days | Expulsions | Expulsion Appeals |
|-----------|--------------|--------------------|------------|------------|-------------------|
| 2006-2007 | Primary | 45 | 143 | 0 | |
| | Special | 14 | 40 | 0 | |
| | Post-Primary | 714 | 2017 | 3 | 2 |

Curriculum Complaints as at 31 March 2007

| Year | Sector | No of Complaints | Result |
|-----------|--------|------------------|--------|
| 2006-2007 | | 0 | |

Judicial Reviews as at 31 March 2007

| Year | Sector | No Lodged | Result |
|-----------|--------|-----------|--------|
| 2006-2007 | | 0 | |

CLAIMS AND LEGAL ADMINISTRATION UNIT

| Claims and Legal Administration Unit | 2005/06 | 2006-2007 |
|---|----------------|------------------|
| Cost of Service | £85,116 | £89,215 |
| Claims | | |
| Number of liability claims investigated | 43 | 50 |
| Value of liability claims rejected | £37,500 | £74,500 |
| Value of successful liability claims | £952 | £2,469 |
| Value of liability claims outstanding | £325,000 | £310,464 |
| Debt Recovery | | |
| Number of new cases referred | 133 | 66 |
| Value of new Debts referred | £293,658 | £97,301 |
| Value of Debts recovered/arranged | £100,013 | £124,556 |
| Car Loans/Leases | | |
| Number of loan applications processed | 4 | 2 |
| Number of lease quotations given | 6 | 0 |
| Number of leases processed | 2 | 0 |
| Educational Visits | | |
| Number of visit applications processed | 520 | 406 |

HOME TO SCHOOL TRANSPORT

| No. Pupils Transported | 2005/06 | 2006-2007 |
|----------------------------------|----------------|------------------|
| Board Bus | 2,991 | 2,970 |
| Public Transport | 15,187 | 14,951 |
| Private Hire of Public Transport | 352 | 173 |
| Ferry | 97 | 106 |
| Taxis | 830 | 805 |
| Private Operators | 465 | 247 |
| Other | 955 | 775 |
| Total | 20,877 | 20,027 |

| <u>Cost of Service</u> | 2005/2006 | 2006/2007 |
|----------------------------------|--------------------|--------------------|
| Board Bus | £2,572,331 | £2,856,423 |
| Public Transport | £7,133,791 | £7,578,393 |
| Private Hire of Public Transport | £113,152 | £90,743 |
| Ferry | £9,859 | £10,440 |
| Taxis | £2,086,760 | £1,795,996 |
| Private Operators | £852,776 | £467,389 |
| Operating Costs | - | £241,895 |
| Total | £13,021,318 | £13,041,279 |

RECRUITMENT

| <u>Recruitment – Non Teaching</u> | 2005/2006 | 2006-2007 |
|---|------------------|--------------------------------------|
| Non-Teaching Posts Advertised | 470 | 491 |
| Applications Received | 1614 | 3195 (2006 calendar year only) |
| Permanent Appointments | 337 | 259 |
| Temporary Appointments | 111 | 141 |
| No Appointments | 22 | 91 |
| | | |
| <u>Recruitment – Teaching</u> | 2005/2006 | 2006-2007 |
| Teaching Posts Advertised | 144 | 167 |
| Applications Received | 1481 | 3031 (2006 calendar year only) |
| Appointments to Principal Posts | 9 | 9 |
| Appointments to Teaching Posts | 67 | 82 |
| Teaching Staff Promotions | 46 | 14 |
| Temporary Promotions / Acting Appointments | 22 | 30 |
| Temporary and Part-time Teaching Appointments | 63 | 70 |
| No Appointments | 5 | 6 |

EQUAL OPPORTUNITIES

(Monitoring Returns Made on Calendar Year Basis – 2006)

| | 2005 | 2006 |
|---|-------------|-------------|
| Total non-teaching applicants monitored | 2809 | 3195 |
| Posts | 459 | 461 |
| Average number of applicants per post | 6:1 | 7:1 |
| Total teaching applicants monitored | 2854 | 3031 |
| Posts | 161 | 153 |
| Average number of applications per post | 17:1 | 19:1 |
| Ongoing complaints | 6 | 10 |
| Complaints settled | 11 | 8 |
| Legal fees of complaints settled | £25,760 | £12,397 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

REMUNERATION REPORT

Board Members

The Chairperson of the Board is paid by the Board for duties carried out as Chairperson at a rate and on such conditions as are determined by the Department of Education with the approval of the Department of Finance and Personnel. The Board makes payments to Board members in relation to their functions as members, at such rates and on such conditions as determined by the Department of Education. Board members also receive travelling and subsistence allowances for expenditure incurred, at such rates and on such conditions as determined by the Board, subject to the approval of the Department of Education.

Commissioners are appointed by the Department of Education and are paid at a rate determined by the Department of Education with the approval of the Department of Finance and Personnel. Commissioners also receive travelling and subsistence allowances for expenditure incurred, at such rates and on such conditions as determined by the Board, subject to the approval of the Department of Education.

Chief Executive and Second Tier Officers

The remuneration of the Chief Executive and second tier officers is performance related. The Board Chairperson, with the Remuneration Committee of the Board, determines the performance of the Chief Executive, which is then subject to the approval of the Department of Education. The Chief Executive determines the performance of the second tier officers in accordance with an agreed performance related pay scheme and makes a recommendation to the Remuneration Committee. The Senior Management Pay Review Panel submits to the Department a recommendation on the appropriate percentage ceiling for performance related uplifts having regard to relevant information and other factors including pay movements in the public and private sectors and patterns of recruitment. The Department of Education considers the advice of the panel and determines the overall maximum percentage uplift to be applied.

Remuneration Committee Members

1 April 2006 to 6th July 2006

Rev G N Haire
Cllr J Bell
Mrs E M Robinson
Mrs J Williams
Rev Dr J P O Barry
Councillor Mrs R M Dunlop

6th July 2006 to 31st March 2007

Mr D Osler
Mrs J Christie
Mr P Carvill
Mr L McDonald

Service Contracts

Officer appointments are in accordance with the Joint Negotiating Council (JNC) for the Education and Library Boards terms and conditions and, in particular, are in accordance with the Staff Commission for Education and Library Boards Code of Procedures on Recruitment and Selection.

Unless otherwise stated overleaf, the officers covered by this report hold appointments which are open ended until they reach normal retiring age of 65. The normal period of notice is 3 months.

Policy on termination payments in relation to premature retirement are in accordance with local government regulations and the statutory redundancy provisions.

Salary including Allowances

Salary includes gross salary excluding employer's costs plus taxable travel payments and is based on actual payments made by the Board. Following receipt of Departmental approval on pay uplifts, the prior year figures have been amended to show the salary earned for that year.

Benefits in Kind

Senior post holders receive no non-cash benefits (benefits in kind)

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

SENIOR POST HOLDERS (Audited)

| | Salary inc allowance 2006-2007 £'000 | Salary inc allowance 2005/06 £'000 | Benefits in kind 2006-2007 £'00 | Benefits in kind 2006 £'00 | Real increase in pension and lump sum at 60 £'000 | Total value of accrued pension and lump sum at 65 at 31/03/07 £'000 | Value of CETV at 31/03/06 £'000 | Value of CETV at 31/03/07 £'000 | Real increase in CETV during year £'000 |
|---|--------------------------------------|------------------------------------|---------------------------------|----------------------------|---|---|---------------------------------|---------------------------------|---|
| *Mrs I Knox <i>Chief Executive</i> | £80k-£85k | £65k-£70k | £0 | £0 | £20k-£22.5k | £110k-£115k | £321k | £423k | £93k |
| **Mr K Brown <i>Chief Finance Officer</i> | £35k-£40k | £65k-£70k | £0 | £0 | N/A | £70k-£75k | £274k | £290k | £7k |
| *Mrs H McVitty <i>Chief Administrative Officer/Chief Finance Officer</i> | £55k-£60k | £50k-£55k | £0 | £0 | £5k-£7.5k | £45k-£50k | £163k | £197k | £29k |
| Mr S Sloan <i>Senior Education Officer- Curriculum</i> | £65k-£70k | £60k-£65k | £0 | £0 | £5k-£7.5k | £110k-£115k | £431k | £476k | £40k |
| Mr M Brown <i>Chief Legal Adviser</i> | £70k-£75k | £65k-£70k | £0 | £0 | £5k-£7.5k | £105k-£110k | £447k | £477k | £15k |
| Mrs B Porter <i>Chief Librarian</i> | £65k-£70k | £65k-£70k | £0 | £0 | £5k-£7.5k | £105k-£110k | £424k | £473k | £41k |
| Mrs A Hanratty <i>Senior Education Officer- PPP</i> | £60k-£65k | £55k-£60k | £0 | £0 | £2.5k-£5k | £95k-£100k | £380k | £420k | £36k |

* Period of appointment up to 31 March 2008.

** Retired 31st October 2006

| | Salary inc allowance 2006-2007 £'000 | Salary inc allowance 2005/06 £'000 | Benefits in kind 2006-2007 £'00 | Benefits in kind 2006 £'00 | Real increase in pension and lump sum at 60 £'000 | Total value of accrued pension and lump sum at 65 at 31/03/07 £'000 | Value of CETV at 31/03/06 £'000 | Value of CETV at 31/03/07 £'000 | Real increase in CETV during year £'000 |
|---|--------------------------------------|------------------------------------|---------------------------------|----------------------------|---|---|---------------------------------|---------------------------------|---|
| Mrs A Lennon <i>Assistant Senior Education Officer- Curriculum</i> | £55-£60k | £50k-£55k | £0 | £0 | £2.5k-£5k | £40k-£45k | £131k | £160k | £27k |
| Mrs S Skelton <i>Assistant Senior Education Officer - Administration</i> | £50k-£55k | £50k-£55k | £0 | £0 | £2.5k-£5k | £70k-£75k | £261k | £289k | £21k |
| Mr T Walsh <i>Assistant Senior Education Officer – Property Services</i> | £50k-£55k | £50k-£55k | £0 | £0 | £0-£2.5k | £75k-£80k | £284k | £311k | £19k |
| Mr N McBride <i>Assistant Senior Education Officer- Administration</i> | £50k-£55k | £50k-£55k | £0 | £0 | £2.5k-£5k | £60k-£65k | £180k | £202k | £17k |
| Mr J Peel <i>Assistant Senior Education Officer – Youth</i> | £50k-£55k | £50k-£55k | £0 | £0 | £2.5k-£5k | £95k-£100k | £403k | £440k | £33k |

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS/COMMISSIONERS

| BOARD MEMBERS/COMMISSIONERS | 2007 £ |
|--|-------------------|
| The total emoluments (incl. honoraria) of the Chairperson serving to 6 th July 2006 was | 4,805 |
| The total emoluments (incl. honoraria) of the Chairperson serving from 7 th July 2006 was | 18,024 |
| The highest payment for any other Board member/Commissioner was | 17,080 |
| The aggregate amount of Board members/Commissioner emoluments was | 117,682 |

No members/Commissioners waived emoluments. All members/Commissioners made a claim for emoluments during the year.

| The number of Board members/Commissioners who received emoluments falling within the range below: | | |
|---|------------------------|------------------------|
| £ | 2007 Number | 2006 Number |
| 1 - 4,999 | 36 | 47 |
| 5,000 - 5,999 | - | 1 |
| 10,000 - 14,999 | 1 | - |
| 15,000 - 19,999 | 3 | - |

Chairperson: _____ Date: _____

Chief Executive: _____ Date: _____

STATEMENT OF 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 accounts 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 operating cost statement, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Chief Executive is required to:

- Observe the Accounts Direction issued by the Department of Education 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, are set out in the non-departmental public bodies Accounting Officers Memorandum, issued by the Department of Finance and Personnel.

Chief Executive: Stanton Sloan

Date: 17 January 2008

South Eastern Education and Library Board

Statement on Internal Control 2006/07

1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of SEELB policies, aims and objectives, while safeguarding the public funds and the SEELB'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 SEELB on programmes and schemes funded by the Department of Education, the Department of Culture Arts and Leisure and the Department for Employment and Learning.

I also provide assurance in respect of the SEELB's adjudication on entitlement to student loans and awards. In addition, it is noted that the Department of Employment and Learning has commissioned external consultants to provide audit certifications in respect of entitlement to student loans and awards and other relevant expenditure. Relevant internal audit reports have also been forwarded to the Department for Employment and Learning.

I am responsible for maintaining administrative structures which enable the SEELB to discharge its statutory duties which takes into account working with the SEELB's sponsoring departments, other education and library boards and education, youth and library partners. The achievement of these responsibilities is discussed at regular Accountability Review meetings with the Permanent Secretary of the Department of Education and arrangements are in place to hold Accountability Review meetings with the Department for Employment and Learning and the Department of Culture, Arts & Leisure as required. On these occasions I normally accompany the Chairman of the Board.

N.B. In July 2006 the Minister for Education suspended the existing Board Members and replaced them with four Commissioners. The term 'Board' in this document refers to the status of the members/commissioners as a corporate body. No distinction is made in relation to the different periods when members and commissioners comprised 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 SEELB 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 2007 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 SEELB has a Risk Management Strategy and Policy which are reviewed by the Audit and Risk Assurance Committee and are endorsed by the Chief Executive and the Board. These documents specify the risk management process within the SEELB and set out the roles and responsibilities of officers and the Board.

Internal Audit has 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 Strategy for the SEELB details a formal process for identifying, assessing, managing and monitoring risks faced by the organisation, including a prioritisation methodology based on risk 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 senior officer who determines whether the relationship between risk and control is appropriate. These risks are then incorporated into the Board risk register.

Risk management is also a feature within the corporate and business 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. Business managers, when completing their annual business plan, consider the risk impact of any proposed actions.

Risk appetite is considered low 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 also 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 heads of department 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board maintains and reviews the system of internal control within the organisation by continually monitoring the service being provided to customers to ensure it meets objectives set in the respective service Business Plans. The Chair of the Audit Committee reports to the Board on audit activity including risk management on a regular basis.

The SEELB has reviewed its position in relation to the recommendations emanating from the Jack Report, the KPMG report and the HELM Review. SEELB officers continued to work with colleagues in other Boards, and within the sponsoring Departments during 2006/07, to progress implementation of recommendations where appropriate.

The Board has complied with the terms of the current relevant Dear Accounting Officer Letters (DAOs) issued by the Department of Finance and Personnel. In particular, grant and grant-in-aid received from the Departments has been used for the purposes intended; there was no novel or contentious expenditure for which the Department's or/and DFP's approval was not obtained; and all other financial transactions conformed to the authorities which governed them, including delegated authority to commit or incur expenditure and approvals sought from the relevant Department where required.

Registers of member/commissioner and staff interests have been established and are updated regularly. Conflicts of interest relating to members/commissioners and staff, actual or potential, were appropriately managed and controlled. Codes of Conduct for members/commissioners and staff have been established.

An appropriate Anti-fraud Policy and Fraud Response Plan has been developed and implemented. All suspected and proven frauds have been notified to the Department in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

Appropriate complaints procedures for students, staff and the general public have been developed and implemented, including facilities under Whistleblowing arrangements to complain direct to outside Agencies and sponsoring departments.

Performance was monitored against both business objectives and the effectiveness of internal control arrangements. Throughout the 12 months ended 31 March 2007, internal control was adequate to provide reasonable assurance of:

- effective and efficient operations;
- the safeguarding of assets; and
- compliance with laws and regulations.

During 2006/07 consultants were engaged to review financial control and monitoring arrangements. Based on the implementation of recommendations contained within their report, I am satisfied that internal control is now adequate to provide reasonable assurance of the integrity and accuracy of management information.

The Board via the Audit Committee receives periodic reports concerning internal control. The Audit Committee meets on a monthly basis. Representatives of the Northern Ireland Audit Office (NIAO) attend these meetings and outline for the Committee their main findings and recommendations from their audits of the annual accounts and value for money reviews. The Board has an Internal Audit service, 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 annual opinion on the adequacy and effectiveness of the Board's system of internal control.

6. Significant Internal Control Problems

As Accounting Officer I am responsible for expenditure, targets and controls concerning all activities within the SEELB. However the level of direct authority or control that I have with regard to the Board's role in managing teacher absence and the planning and development of the school estate (including PPP Projects) is limited to those schools where the Board is the employing authority, i.e. the controlled sector.

It has been decided, as part of the Northern Ireland Review of Public Administration, that the Board will cease to operate on 31st March 2009, and my roles and responsibilities as Accounting Officer will transfer to the Chief Executive of the Education and Skills Authority with effect from 1st April 2009. This transfer of responsibilities will include sign-off of the SEELB Annual Accounts for the year to 31st March 2009.

The SEELB, in common with its education partners, is currently experiencing increased information demands arising from the preparatory work of establishing the Education and Skills Authority and the Northern Ireland Public Libraries Authority as a result of the Review of Public Administration. These increased demands, coupled with the Board's limited ability to fill vacant posts and the lack of information or guidance in relation to the provision of services post RPA is debilitating and makes planning for 2007/08 very difficult. The on-going financial pressures, as a result of the need to make repayment of the deficit incurred in earlier financial years, means that SEELB is particularly impacted by this situation and there is a risk of internal control failure due to lack of key staff. In order to address this risk, staffing levels are kept under continuous review.

The Board has progressed a PPP project incorporating a cluster of one Controlled Special and one Grant Maintained Integrated school. This project has been the subject of considerable delay due to ongoing discussions with the Department of Education (DE) regarding affordability. This delay could result in increased costs in both the PPP Project (via the Unitary Charge) and in the ongoing maintenance of the buildings currently occupied by these schools.

End Year Flexibility – Funding Commitment

On 27 November 2007 the Department of Education (DE) issued a direction to the Board to make a significant change to the 2006/07 Annual Accounts. This direction required the Board to change the Funding Commitment Disclosure Note (Note 35) of the Accounts as follows:

From:

“the year end position (2007) for DE and Youth represents a funding commitment/year end flexibility from the Department of a guaranteed resource which will be added to the Board's approved spending limit in the next financial year.”

To:

“the year end position (2007) for DE and Youth represents a funding commitment/year end flexibility from the Department of a guaranteed resource which will be added to the Board's approved spending limit in future years.”

This change carries significant risk for the Board in that it removes the Departmental Funding Commitment to allow full carry-over of Year End Balances into the next financial year. While DE continue to assure the Board that this funding will be available to Schools and Boards in

future years, there is no commitment as to the particular financial year(s) in which this funding can be accessed.

While the Board is, at present, confident that it can live within the overall restriction on this Funding Commitment in 2007/08 (£4.0m) set out in recent departmental correspondence, it has concerns about the proposed split of this restricted EYF between Schools, Earmarked and Other Centre Budgets.

It should be noted, however, that the Board is faced with possible significant demands on the Job Evaluation Contingency line as a result of potential job evaluation settlements which could impact during the 2007/08 year, as various job evaluation processes reach a conclusion. It is possible that significant elements of this contingency could crystallise before 31 March 2008 with obvious implications for the Board's ability to live within the restricted funding available in the current financial year.

It is essential, therefore, that Board access to this Funding Commitment is managed in such a manner as to ensure that there is no negative impact on the Board's ability to meet its commitments and to deliver essential support services to schools over the coming months.

The Board is concerned that access to this funding commitment, could be further restricted in 2008/09 at a time when the Board is likely to face significant financial pressures resulting from the continuing pace of the demographic downturn in the South Eastern Education and Library Board Area. It is essential that the Board has an early indication of access to this funding commitment in order that financial planning, and service delivery, decisions can be taken for the 2008/09 financial year in a fully informed basis.

Board officers will be seeking to address these issues with Departmental colleagues in an open and constructive manner and would hope that, through such an approach, the Board and Department can jointly manage the significant financial risks associated with this change of approach.

The Board is committed to ensuring the best possible arrangements are in place in relation to Child Protection. It is noted, however, that the introduction of relevant legislation by the Department of Education is expected to ensure that teaching and non-teaching staff are required to submit to the vetting procedure.

The Department of Education (DE) is responsible for the payment of teachers' salaries. An audit by DE internal audit has provided an assurance rating that the risk management, control and governance arrangements in place are satisfactory in part but contain a number of significant weaknesses that could undermine the achievement of system objective(s) and leave it vulnerable to material error/abuse. DE internal audit have also confirmed that exception testing on payments has been undertaken on a regular basis and that no issues have been identified as a result of this testing.

In relation to the Common Funding Formula (CFF) system DE internal audit has provided an assurance rating that while there are a number of weaknesses within the risk management, control and governance arrangements, the weaknesses do not put the achievement of the system objective(s) significantly at risk. Both the Teachers Payroll system and the CFF system are not within the control of the Board.

During 2006/07 an error was identified in the census information submitted to the Department of Education for input into the Common Formula Funding system. A review of internal control in this area identified some improvements which are being implemented for 2007/08.

The Boards' financial systems do not easily facilitate in-year completion of accounts on an accruals basis leading to an increased risk of budget overspend due to in year revenue budget monitoring on a cash basis. Monthly management information, therefore, is based on cash expenditure adjusted for known material accruals (e.g. Job Evaluation Arrears, Pay Awards Outstanding, Prepayments). The Boards have developed a draft Business Case on e-procurement aimed at addressing these weaknesses. It is felt, however, that this issue must be considered in the context of overall decisions on whether current ELB financial systems will be chosen as the most appropriate platform for the ESA and therefore should be taken forward by the ESA.

The current timescale for informing Boards of their initial allocation creates difficulties in ensuring corporate planning priorities adequately reflect the actual resources available to the Board. This delay also has implications for the timescale of the Board in setting budgets for the year and the availability of accurate budgetary information at the beginning of the financial year. In particular, allocation of earmarked funding is often delayed until well into the financial year, resulting in difficulties in planning the utilisation of these resources. It is recognised that sponsoring departments have increased their engagement with Boards thus increasing the awareness of all parties in forecasting the financial resources likely to be made available and the consequences on planning priorities.

SEELB continues to increase delegation of monies directly to schools, in line with Department of Education objectives to empower schools decision making and with ESA stated future policy to increase schools' autonomy. In the case of earmarked funding, this aim has to be balanced with my responsibility as Accounting Officer to ensure that these funds are being used only for the purposes intended. SEELB continues to review and seek to improve monitoring processes to ensure an appropriate balance between effective control of expenditure and imposition on schools of overly burdensome processes.

The SEELB has historically high levels of expenditure on children with Special Education needs, resulting in significant budgetary pressures in this area, as a result of high levels of expectation from parents and schools. During the year a review was undertaken with the aim of modernising and improving SEN provision. This review is focussed on optimum utilisation of resources to ensure the best educational outcomes for all children and in particular children with SEN, whether or not they have been formally stated.

The SEELB schools are carrying significant net surpluses in their LMS budgets. If the schools decided to draw down these amounts, this would have to be funded from within the central budget, resulting in a risk that the central budget would be overspent in-year. This presents a significant control risk to the SEELB.

The Board, as part of its Accounting Policy, is required to ensure that a full revaluation of the estate takes place at least once in every five year period. This revaluation for SEELB and other Boards is required to be completed by 31st March 2008. This process is extremely complex and time consuming for ELB staff and for the staff of the Valuation and Lands Agency (VLA) who carry out the valuation process. The Chief Finance Officers have sought assurances from the VLA that it will be in a position to meet its obligations in carrying out the revaluation of the Education Estate. Such assurances were received from the VLA on 2nd June 2006. This matter will be the subject of further discussions between the Chief Finance Officers and VLA as Boards work towards the faster Annual Accounts closure deadline for the 2007/08 financial year (i.e. Mid May 2008).

While the Board has completed the job evaluation process for the vast majority of staff over the last few years, the process is not yet finished and the Board is unable to ascertain with any certainty the value of the liability to the Board. Details of this are shown in the Contingent Liability note 26.

The Board's non teaching employees belong to the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC). The latest actuarial valuation at 31 March 2004 identified a shortfall of £392m (in the whole scheme for all employers). In order to contain the growth of this deficit employer contribution rates increased from the 4.6% in 2004/05 to 11% in the current year with a commitment to increase further to 13% in 2007/08. Recovery is therefore delayed until the next three year actuarial cycle when a target rate of 17.3% is currently anticipated, although this will be recalculated and confirmed at the next valuation during 2007. If the increase in employers' contribution is not funded by the sponsoring departments, this will have significant implications on service delivery. While a full valuation has not been completed, SEELB has, for the purposes of compliance with FRS17 "Retirement Benefits", obtained an actuarial report based on the rolled forward value of the liabilities (for SEELB only) calculated at the latest valuation adjusted for various factors and assumptions. Details of this are shown in the Pension and Similar Obligations note 17 and Pension Reserve note 20.

Accounting Officer: Stanton Sloan

Date: 17.1.08

OPERATING COST STATEMENT FOR THE YEAR ENDED 2007

| | Notes | 2007 £000 | Restated 2006 £000 |
|---|-------|----------------|--------------------------|
| INCOME | | | |
| Operating income | 2 | 8,166 | 8,269 |
| Grant income | 3 | 275 | 854 |
| TOTAL INCOME | | <u>8,441</u> | <u>9,123</u> |
| EXPENDITURE | | | |
| Staff costs | 4 | 204,914 | 210,406 |
| Other operating costs | 5 | 52,235 | 57,655 |
| Depreciation | 11 | 13,489 | 10,496 |
| Notional costs | 6 | 347 | 355 |
| TOTAL OPERATING COSTS | | <u>270,985</u> | <u>278,912</u> |
| NET OPERATING COST BEFORE FINANCING | | <u>262,544</u> | <u>269,789</u> |
| Cost of capital charge | 8 | 26,143 | 21,609 |
| Interest payable | 9 | 166 | 11 |
| Interest receivable | 10 | - | - |
| Other finance cost | 17 | 1,288 | 1,887 |
| NET OPERATING COSTS AFTER FINANCING | | <u>290,141</u> | <u>293,296</u> |
| Credit in respect of cost of capital and notional costs | 6 & 8 | (26,490) | (21,964) |
| AMOUNT TRANSFERRED TO INCOME & EXPENDITURE RESERVE | 19 | <u>263,651</u> | <u>271,332</u> |

All amounts above relate to continuing activities.

The notes on pages 73 to 101 form part of these accounts.

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2007

| | Notes | 2007 £000 | Restated 2006 £000 |
|--|--------------|----------------------|-----------------------------------|
| Net gain/(loss) on revaluation of fixed assets | 21 | 219,117 | 116,606 |
| Actuarial gain (loss) on pension schemes | 17 | (29,927) | (668) |
| Prior year adjustment | 20 | - | 35,800 |
| Recognised gains/(losses) for the year | | <u>189,190</u> | <u>151,738</u> |

The notes on pages 73 to 101 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2007

| | Notes | 2007 £000 | Restated 2006 £000 |
|--|-------|-----------------|--------------------------|
| Fixed Assets | | | |
| Tangible assets | 11 | 935,173 | 723,309 |
| Debtors falling due after more than one year | 13 | 3,962 | 4,639 |
| Current Assets | | | |
| Stocks | 12 | 410 | 431 |
| Debtors | 13 | 3,290 | 4,708 |
| Cash at bank and in hand | | - | 1,974 |
| | | <u>3,700</u> | <u>7,113</u> |
| Current Liabilities | | | |
| Creditors amounts falling due within one year | 14 | (21,459) | (22,585) |
| Net Current Liabilities | | <u>(17,759)</u> | <u>(15,472)</u> |
| Total Assets Less Current Liabilities | | <u>921,376</u> | <u>712,476</u> |
| Creditors amounts falling due after more than one year | 14 | 2,412 | 2,554 |
| Provisions for liabilities and charges | 16 | 7,222 | 8,044 |
| Pension liability | 17 | 74,603 | 41,600 |
| Deferred income | 18 | 2,037 | 1,466 |
| Net Assets | | <u>835,102</u> | <u>658,812</u> |
| Reserves | | | |
| Income & Expenditure Reserve | 19 | 358,586 | 366,822 |
| Pension reserve | 20 | (74,603) | (41,600) |
| Other reserves | 21 | 551,119 | 333,590 |
| | | <u>835,102</u> | <u>658,812</u> |

The Financial Statements on page 56 to 101 were approved by the Commissioners on 16 January 2008 and were signed on their behalf by:

Chairman: Mr Douglas Osler Date: 17.1.08

Chief Executive: Mr Stanton Sloan Date: 17.1.08

The notes on pages 73 to 101 form part of these accounts.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

| | Notes | 2007 £000 | Restated 2006 £000 |
|---|---------|-----------------------|--------------------------|
| Net cash (outflow)/inflow from operating activities | 22(i) | (247,943) | (248,223) |
| Returns on Investments and Servicing of Finance | 9 | (166) | (11) |
| Capital expenditure and financial investment | 22(ii) | <u>(13,062)</u> | <u>(22,040)</u> |
| Net cash (outflow)/inflow before financing | | (261,171) | (270,274) |
| Financing | 22(iii) | 258,316 | 271,952 |
| Increase/ (Decrease) in Cash | | <u>(2,855)</u> | <u>1,678</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. STATEMENT OF ACCOUNTING POLICIES

1.1 *Accounting Convention*

These financial statements have been prepared in accordance with the Accounts Direction issued by the Department of Education on 5 January 2007 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*

Grants and grants in aid to the extent of funds drawn-down from Departments (DE, DCAL, DEL, DHSS & PS) for revenue and capital purposes are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the body and hence should be accounted as financing i.e. by crediting them to the income and expenditure reserve.

Revenue grant from other bodies received for specific purposes that are restricted income, are included in the operating cost statement 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 in operating cost statement to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the operating cost statement 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 operating cost statement in the period in which they arise.

1.4 *Taxation*

The Board is exempt from corporation tax on income it receives. Items in the operating cost statement are net of recoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

1.5 *Fixed Assets*

All spending on a fixed asset which yields a benefit for a period of more than one year, 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 5 boards have agreed a 5 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 are 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 grants they are capitalised and depreciated as above. The related grants are credited to the Income & Expenditure Reserve.

1.5.2 *Maintained Schools*

Land and buildings shown in the financial statements do not include any maintained schools, the assets of which belong to their trustees, apart from school meals kitchens accommodation operating on these sites which are owned by Education and Library Boards (ELBs). 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 operating cost statement.

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 operating cost statement.

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 operating cost statement 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

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:

| Asset Class | Asset Sub-Class | Asset Life |
|---------------------|--|-------------------|
| 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 |
| | Musical | 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 |

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

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, Rathgael House, 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.

In accordance with FRS 17 'Retirement Benefits', changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Board are charged to the operating cost statement or the statement of recognised gains and losses.

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

1.8 *Reserves*

The Income and Expenditure Reserve represents the total assets less total liabilities of the Board to the extent that the total is not represented by other reserves.

The Pension Reserve represents the cumulative balance on relevant pension funds.

Other Reserves

- The Grant Reserve represents the surplus of grant income over expenditure.
- The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.
- The General Reserve represents the proceeds of the sale of non-property assets, in line with latest accounting guidance within the Financial Reporting Manual (FReM).
- The Special Book Reserve represents the valuation of the special library book collection.
- The School Reserve – In previous years the balance carried forward by schools was shown in reserves. This treatment has now been changed and the balance carried forward by schools is shown in Note 35.
- The PFI Reserve – As part of the Lisburn Library PFI contract, the Board sold the land to the developer. The proceeds were not remitted to the Board but are reflected in discount provided over the life of the PFI contract. The proceeds were taken to the PFI reserve, which will be released over the duration of the contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

1.9 *Finance and Operating Leases*

Operating lease rentals are charged to the operating cost statement 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 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.

The South Eastern Education and Library Board operates a PFI contract in respect of Lisburn Library. In accordance with advice from the Northern Ireland Audit Office, this Library is shown on the balance sheet at a value which is discounted to reflect the fact that ownership will not pass to the Board until 2030. This resulted in a substantial reduction in the value of the Library on the balance sheet, which has been shown in the operating cost statement as a temporary impairment.

Work has now commenced on a PFI Scheme to build new schools in Bangor and Comber. When these schools are completed they will be treated in the same way as the Lisburn Library contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

2. OPERATING INCOME

| | 2007 | 2006 |
|------------------------------------|--------------|--------------|
| | £000 | £000 |
| Catering operations | 4,286 | 4,066 |
| Other income generating activities | 2,075 | 1,981 |
| Miscellaneous | 1,805 | 2,222 |
| | <u>8,166</u> | <u>8,269</u> |

3. GRANT INCOME

| | 2007 | 2006 |
|------------------------------------|-------------|-------------|
| | £000 | £000 |
| European funds | 95 | 14 |
| New Opportunities Fund/Big Lottery | 140 | 840 |
| Other Funds | 40 | - |
| | <u>275</u> | <u>854</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

4. STAFF NUMBERS AND RELATED COSTS

Staff Costs comprise:

| | 2007 | 2006 |
|---|-----------------------|-----------------------|
| | £000 | £000 |
| Teaching | | |
| Wages and salaries | 113,114 | 114,388 |
| Social Security costs | 9,176 | 9,254 |
| Pension costs | 15,800 | 15,679 |
| Other employee expenses | 3,664 | 3,107 |
| | <u>141,754</u> | <u>142,428</u> |
| Non Teaching (including Board Members) | | |
| Wages and salaries | 54,959 | 59,029 |
| Social Security costs | 3,220 | 3,413 |
| Pension costs | 4,581 | 4,692 |
| Other employee expenses | 400 | 844 |
| | <u>63,160</u> | <u>67,978</u> |
| TOTAL | <u><u>204,914</u></u> | <u><u>210,406</u></u> |
| Average Staff Numbers (FTE's) | | |
| | 2007 | 2006 |
| | Number | Number |
| Teaching | 3,705 | 4,206 |
| Non Teaching | 5,673 | 5,608 |
| TOTAL | <u><u>9,378</u></u> | <u><u>9,814</u></u> |

FReM Guidance requires separate disclosure in respect of staff on inward secondment or loan as well as agency, temporary and short term contract staff, if significant. It is expected that full disclosure will be made after full implementation of the new payroll/human resources system.

In prior years the staff numbers for both teaching and non-teaching staff were based on a head count rather than full time equivalents and therefore are not directly comparable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

| 5. OTHER OPERATING COSTS | Restated | |
|--|-----------------|---------------|
| | 2007 | 2006 |
| | £000 | £000 |
| Premises, fixed plant and grounds | 14,885 | 13,964 |
| Supplies and services | 15,927 | 14,795 |
| Transport | 13,338 | 13,483 |
| Establishment | 2,410 | 2,815 |
| Grants to persons/bodies: | | |
| DHSS&PS | 359 | 443 |
| Other | 3,087 | 6,033 |
| Pension Costs (Note 17) | 1,788 | 3,245 |
| Loss on disposal of fixed assets | 20 | 2,371 |
| Miscellaneous | 421 | 506 |
| | <u>52,235</u> | <u>57,655</u> |
| OTHER OPERATING COSTS INCLUDE: | | |
| Operating leases – hire of plant and machinery | 114 | 136 |
| Operating leases – property | - | - |
| Hospitality | 11 | 8 |
| Private Finance Initiative (PFI) | 3,380 | 2,459 |
| | <u>3,505</u> | <u>2,603</u> |
| 6. NOTIONAL COSTS | | |
| | 2007 | 2006 |
| | £000 | £000 |
| Auditors remuneration | 38 | 37 |
| Valuation and Land Agency | - | - |
| Teachers' payroll | 309 | 318 |
| | <u>347</u> | <u>355</u> |

7. INTER BOARD TRADING

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

8. COST OF CAPITAL CHARGE

| | 2007 | Restated |
|----------------|----------------------|----------------------|
| | £000 | 2006 |
| | | £000 |
| Use of capital | 26,143 | 21,609 |
| | <u>26,143</u> | <u>21,609</u> |
| | <u><u>26,143</u></u> | <u><u>21,609</u></u> |

The Board bases the cost of capital calculation on the total assets less total liabilities. The cost of capital percentage for the year ended 31 March 2007 is 3.5% (31 March 2006: 3.5%).

9. INTEREST PAYABLE

| | 2007 | 2006 |
|-------------------|-------------------|------------------|
| | £000 | £000 |
| On finance leases | 163 | - |
| Other | 3 | 11 |
| | <u>166</u> | <u>11</u> |
| | <u><u>166</u></u> | <u><u>11</u></u> |

10. INTEREST RECEIVABLE

| | 2007 | 2006 |
|---------------|-----------------|-----------------|
| | £000 | £000 |
| Bank interest | - | - |
| Other | - | - |
| | <u>-</u> | <u>-</u> |
| | <u><u>-</u></u> | <u><u>-</u></u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

11. TANGIBLE FIXED ASSETS

| | Land & Buildings | Vehicles | Computers | Plant, Equipment & Miscellaneous | Assets in course of Construction | Total |
|--|---------------------------------|-----------------|------------------|---|---|----------------|
| | £ 000 | £ 000 | £ 000 | £ 000 | £ 000 | £ 000 |
| Cost or Valuation | | | | | | |
| At 1 April 2006 | 725,538 | 6,547 | 1,026 | 5,165 | 21,041 | 759,317 |
| Additions | - | 578 | 116 | 548 | 12,030 | 13,272 |
| Asset Transfer | 9,583 | - | - | - | (9,583) | - |
| Disposals | (7,010) | (135) | - | - | - | (7,145) |
| Revaluation | 221,008 | 103 | (6) | 128 | - | 221,233 |
| Permanent Impairment of value | - | - | - | - | - | - |
| At 31 March 2007 | 949,119 | 7,093 | 1,136 | 5,841 | 23,488 | 986,677 |
| Depreciation | | | | | | |
| At 1 April 2006 | 30,016 | 3,575 | 874 | 1,543 | - | 36,008 |
| Disposals | - | (109) | - | - | - | (109) |
| Backlog Depreciation | 1,997 | 59 | (5) | 65 | - | 2,116 |
| Charge for period | 11,027 | 593 | 95 | 341 | - | 12,056 |
| Deficit on revaluation | 1,435 | (3) | 1 | - | - | 1,433 |
| Revaluation | - | - | - | - | - | - |
| At 31 March 2007 | 44,475 | 4,115 | 965 | 1,949 | - | 51,504 |
| Net Book value at 31 March 2007 | 904,644 | 2,978 | 171 | 3,892 | 23,488 | 935,173 |
| Net Book value at 1 April 2006 Restated | 695,522 | 2,972 | 152 | 3,622 | 21,041 | 723,309 |

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 2007 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.

On 7th March 2007 the Board completed the sale of the site of the former Scrabo High School. The Board has negotiated an income share arrangement which will be activated 2 years after completion of development work on the site. The Board has surrendered the proceeds to date to the Department of Education and will surrender any future proceeds to the Department of Education.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

11. TANGIBLE FIXED ASSETS (cont'd.....)

The net book value of tangible fixed assets includes an amount of £11,556k (2006:£8,569k) 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, apart from school meals kitchens accommodation operating on these sites which are owned by ELB's. In 2006/2007 there were 75 such schools in the Board's area.

FREM section 7.4.40 requires entities, as a minimum, to analyse tangible fixed assets between owned and leased assets. For 2006/07 ELB's are unable to meet this disclosure requirement as tenure is not currently held on ELB's asset registers. However, in 2007/08 ELB's will address this issue as part of the external revaluation exercise to be completed by VLA.

Fixed assets include £1,807k in relation to a special collection of library books which have been valued by Mr Eámonn de Búrca FRSAI of de Búrca Rare Books, 27 Priory Drive, Blackrock, Co Dublin, Ireland on 23rd March 2006. The library books have been valued on an open market, existing use basis and have not been depreciated or indexed. The next revaluation is due to be carried out during 2010/11.

The net book value of tangible fixed assets includes an amount of £2,133k (2006: £3,662k) in respect of assets held under finance leases.

The depreciation charge for the period is analysed as follows:

| | 2007 | 2006 |
|---|---------------|---------------|
| | £000 | £000 |
| Owned assets | 12,056 | 11,172 |
| Assets held under finance leases and hire purchase agreements | - | - |
| Deficit on revaluation | 1,433 | (676) |
| | <u>13,489</u> | <u>10,496</u> |

12. STOCK

| | 2007 | 2006 |
|--------------------------------|-------------|-------------|
| | £000 | £000 |
| Catering | 110 | 113 |
| Maintenance and central depots | 300 | 318 |
| | <u>410</u> | <u>431</u> |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2007 | Restated |
|--------------------------------------|--------------|-----------------|
| | £000 | 2006 |
| | | £000 |
| Trade debtors | 709 | 1,216 |
| Amount owed by boards | 58 | 345 |
| PFI prepayment | 1,090 | 989 |
| Other prepayments and accrued income | 597 | 1,105 |
| Recoverable VAT | 836 | 1,053 |
| TOTAL | <u>3,290</u> | <u>4,708</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

| | | | |
|------------|--|---------------|---------------|
| 13. | DEBTORS: (cont'd....) | 2007 | 2006 |
| | AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | £000 | £000 |
| | Trade debtors | - | - |
| | Prepayments and accrued income | 3,962 | 4,639 |
| | Other debtors | - | - |
| | TOTAL | <u>3,962</u> | <u>4,639</u> |
| | | | |
| 14. | CREDITORS: | 2007 | 2006 |
| | AMOUNTS FALLING DUE WITHIN ONE YEAR | £000 | £000 |
| | Bank overdrafts | 881 | - |
| | Trade creditors | 679 | 4,177 |
| | Obligations under finance leases | 142 | 145 |
| | Amount owed to boards | 150 | 425 |
| | Other taxation and Social Security | 1,052 | 45 |
| | Accruals | 17,941 | 16,922 |
| | Other creditors | 614 | 871 |
| | | <u>21,459</u> | <u>22,585</u> |
| | | | |
| | CREDITORS: | 2007 | 2006 |
| | AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | £000 | £000 |
| | Obligations under finance leases | 2,412 | 2,554 |
| | | <u>2,412</u> | <u>2,554</u> |
| | | | |
| 15. | ANALYSIS OF BORROWINGS OF THE BOARD: | 2007 | 2006 |
| | FINANCE LEASES | £000 | £000 |
| | The net finance lease obligations to which the Board is committed are: | | |
| | In one year or less | 142 | 145 |
| | Between one and two years | 138 | 142 |
| | Between two and five years | 394 | 404 |
| | Over five years | 1,880 | 2,008 |
| | | <u>2,554</u> | <u>2,699</u> |

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

16. PROVISIONS FOR LIABILITIES AND CHARGES

| | Employer & Public Liability Claims £000 | Premature Retirement £000 | Job Evaluation £000 | [Other] £000 | Total £000 |
|--------------------------------------|--|--|------------------------------------|-------------------------|-----------------------|
| At 1 April 2006 | 981 | 3,100 | 3,903 | 60 | 8,044 |
| Provided in the year | 431 | 484 | 3,190 | - | 4,105 |
| Provisions not required written back | (339) | (173) | (3,903) | (60) | (4,475) |
| Provisions utilised in the year | (229) | (223) | - | - | (452) |
| Unwinding of discount | - | - | - | - | - |
| At 31 March 2007 | 844 | 3,188 | 3,190 | - | 7,222 |

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.

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. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where the board is able to make a reasonable estimation of the arrears liability.

The timing of such payments is likely to vary for the different categories of staff. However, the board makes every effort to progress payments as soon as possible, once union and individual agreement has been formally reached

The level of information available on which to base estimates for arrears, increases the closer a staff category is to completion of the job evaluation process.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

16. PROVISIONS FOR LIABILITIES AND CHARGES (cont'd...)

Premature Retirement for teachers

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.

| | Numbers |
|--------------------------|----------------|
| 2006-2007 | 89 |
| Cumulative to March 2007 | <u>1,146</u> |

17. PENSION AND SIMILAR OBLIGATIONS

As explained in the Accounting Policies (Paragraph 1.7) the Board participates in two principal schemes, the Teachers' Superannuation Scheme (TSS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

The Board has included pension costs totalling £15,800k in relation to the TSS scheme.

For 2006/07 the employer's contribution rates to the Teacher's Superannuation Scheme was 14.15%.

For 2006/07 the employer's contribution rate to the Northern Ireland Local Government Pension Scheme was 11%.

NILGOSC is a defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis. The latest formal valuation of the Fund for the purpose of setting employers' actual contributions was at 31 March 2004, with the next formal valuation due as at 31 March 2007. The results of this latest formal valuation were not available for the completion of these accounts, so a valuation was carried out by a qualified independent actuary for the purposes of meeting the requirements of FRS 17. The major assumptions used by the actuary were:

| | At 31 March 2007 | At 31 March 2006 |
|------------------------------|-------------------------|-------------------------|
| Rate of increase in salaries | 4.7% | 4.6% |
| Rate of increase in pensions | 3.2% | 3.1% |
| Discount rate | 5.4% | 6.0% |
| Inflation assumption | 3.2% | 3.1% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

17 PENSION AND SIMILAR OBLIGATIONS (cont'd...)

The assets in the scheme and the expected rate of return were:

| | Long term return at 31 March 2007 % per annum | Assets at 31 March 2007 £000 | Long term return at 31 March 2006 % per annum | Assets at 31 March 2006 £000 |
|--|---|------------------------------------|---|------------------------------------|
| Equities | 7.8% | 112,382 | 7.4% | 111,600 |
| Bonds | 4.9% | 21,039 | 4.6% | 16,400 |
| Property | 5.8% | 15,341 | 5.5% | 10,100 |
| Cash | 4.9% | 1,701 | 4.6% | 1,800 |
| Total market | | 150,463 | | 139,900 |
| Value of assets | | | | |
| Present value of scheme liabilities | | (220,712) | | (177,300) |
| Present value of unfunded liabilities | | (4,354) | | (4,200) |
| Net pension asset | | (74,603) | | (41,600) |

The actuarial value of 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 year, but this will not recover any part of the deficit and its recovery is therefore delayed until the 3 year period from 1st April 2008. It is planned that employer contribution rates will again increase for the 3 years from 1st April 2008. A target rate of 17.3% is currently anticipated but will be recalculated and confirmed at the next valuation.

| Amount charged to operating profit | 2007 | 2006 |
|--|----------------|----------------|
| | £000 | £000 |
| Current service cost | 6,574 | 6,284 |
| Past service cost | - | - |
| Curtailments and settlements | 220 | 892 |
| Decrease in irrecoverable surplus | - | - |
| Total operating charge | 6,794 | 7,176 |
| Amount credited to other finance income | 2007 | 2006 |
| | £000 | £000 |
| Expected return on employer assets | 9,735 | 7,833 |
| Interest on pension scheme liabilities | (11,023) | (9,720) |
| Net return | (1,288) | (1,887) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

17. PENSION AND SIMILAR OBLIGATIONS (cont'd...)

| Analysis of amount recognised in Statement of Recognised Gains and Losses (SRGL) | 2007 £000 | 2006 £000 |
|---|----------------------|----------------------|
| Actual return less expected return on pension scheme assets | (1,679) | 20,890 |
| Experience gains and loss arising on the scheme liabilities | 114 | (1,631) |
| Changes in financial assumptions underlying the present value of the scheme liabilities | (28,362) | (19,927) |
| Actuarial gain/(loss) in pension plan | (29,927) | (668) |
| Increase/(decrease) in irrecoverable surplus for membership fall and other factors | - | - |
| Actuarial gain/(loss) recognised in SRGL | (29,927) | (668) |
| | | |
| Movement in Surplus/(Deficit) During the Year | 2007 £000 | 2006 £000 |
| Surplus/(deficit) at beginning of year | (41,600) | (35,800) |
| Current service cost | (6,574) | (6,284) |
| Employer contributions | 4,779 | 3,641 |
| Contributions in respect of unfunded benefits | 227 | 290 |
| Other income | - | - |
| Other outgoings | - | - |
| Past service costs | - | - |
| Impact of settlements and curtailments | (220) | (892) |
| Net return on assets | (1,288) | (1,887) |
| Actuarial gains/(losses) | (29,927) | (668) |
| Surplus/(deficit) at end of year | (74,603) | (41,600) |
| | | |
| History of Experience Gains and Losses | 2007 £000 | 2006 £000 |
| Difference between the expected and actual return on assets: | | |
| - Amount (£000) | (1,679) | 20,890 |
| - Percentage of assets | (1.1%) | 14.9% |
| Experience of gains/(losses) on liabilities: | | |
| - Amount (£000) | 114 | (1,631) |
| - Percentage of the present value of liabilities | 0.1% | (0.9%) |
| Actuarial gains/(losses) recognised in SRGL: | | |
| - Amount (£000) | (29,927) | (668) |
| - Percentage of the present value of liabilities | (13.3%) | (0.4%) |

18. DEFERRED INCOME - DEFERRED GRANTS

| | 2007 | 2006 |
|-------------------------|---------------------|---------------------|
| | £000 | £000 |
| External Funding Bodies | 2,037 | 1,466 |
| | <u>2,037</u> | <u>1,466</u> |

19. INCOME & EXPENDITURE RESERVE

| | 2007 | Restated |
|--|-----------------------|-----------------------|
| | £000 | 2006 |
| | | £000 |
| At 1 April 2006 | (26,079) | (27,296) |
| Transfer to/(from) Other Reserves | 392,901 | - |
| Restated Income & Expenditure Reserve at 1 April 2006 | <u>366,822</u> | <u>(27,296)</u> |
| Amount transferred to/from operating cost statement | (263,651) | (271,332) |
| Funding Recurrent: - DE - Schools | 232,497 | 232,690 |
| -Youth | 4,336 | 4,390 |
| - DCAL | 5,416 | 5,376 |
| - DEL | 2,269 | 6,264 |
| - DHSS&PS | 379 | 436 |
| Funding Capital: - DE | 12,403 | 22,346 |
| - DCAL | 556 | 243 |
| Transfer to/from Revaluation Reserve | 2 | - |
| Transfer to/from Govt. Grant Reserve | - | 376,709 |
| Transfer to/from School reserve | - | 11,968 |
| Transfer to/from Pension reserve | 3,076 | 5,132 |
| Transfer to/from Grant reserve | (1,002) | (104) |
| Transfer to/from General reserve | 2,493 | - |
| Disposal of Fixed Assets | (7,010) | - |
| At 31 March 2007 | <u>358,586</u> | <u>366,822</u> |

Prior Year Adjustment's

A change in income policy with regard to the recognition of funds drawn down from the Departments at 1 April 2006, from accruing income to cash financing has necessitated the write off the schools reserve to the Income and Expenditure Reserve of £7,808k and a removal of the debtor balances with the Department of Education of £1,377k, Department of Employment and Learning £18k and Department of Health and Social Services and Public Safety £7k.

Changes in the reclassification of the capital funding from grant to grant in aid have necessitated the creation of a revaluation reserve. The remainder of the balance of the government grant reserve after creation of the revaluation reserve has been transferred to the income & expenditure reserve. This amounted to £376,709k..

Implementation of FRS17 "Retirement Benefits" and the recognition of the NILGOSC assets and liabilities of the defined benefit scheme at 1 April 2006, has resulted in pension costs of £1,788k (2006:£3,245k) being charged to the Operating Cost Statement and Finance Costs of £1,288k (2006: £1,887k).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

| 20. PENSION RESERVE | 2007 £000 |
|---|----------------------|
| Balance at 1 April 06 as previously stated | - |
| Prior year adjustment (see below) | (41,600) |
| Balance at 1 April 06 (restated) | <u>(41,600)</u> |
| In year actuarial gain/(loss) | (29,927) |
| Transfer to/from Income & Expenditure Reserve | <u>(3,076)</u> |
| Balance at 31 March 2007 | <u>(74,603)</u> |

Prior year adjustment

The prior year adjustment relates to the implementation of FRS 17 'Retirement Benefits' as a result of NILGOSC being able to identify the Board's pension deficit individually for the first time.

| Analysis of prior year adjustment | 2006 £000 |
|---|------------------------|
| Adjustment to pension reserve at 1 April 05 | (35,800) |
| Adjustment to SRGL for year ended 31 March 06 | (668) |
| Transfer to/from Income & Expenditure Reserve 31 March 06 | <u>(5,132)</u> |
| Total prior year adjustment | <u>(41,600)</u> |

The net adjustment of £668k is disclosed on the face of the Statement of Recognised Gains and Losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

21. OTHER RESERVES

| | Gov. Grant Reserve £ 000 | Revaluation Reserve £000 | Special Book Reserve £ 000 | General Reserve | Grant Reserve £ 000 | PFI Reserve £ 000 | Total £ 000 |
|--|--------------------------------|--------------------------------|----------------------------------|--------------------|---------------------------|-------------------------|----------------|
| At 1 April 2006 | 718,560 | - | 1,807 | 100 | (2,599) | 2,217 | 720,085 |
| Prior year adjustment | (9,786) | - | | | | | (9,786) |
| Restated balance at 1 April 2006 | 708,774 | - | 1,807 | 100 | (2,599) | 2,217 | 710,299 |
| Transfer (to)/from Income & Expenditure Reserve | (376,709) | - | - | - | - | - | (376,709) |
| Transfer to Revaluation Reserve | (332,065) | 332,065 | - | - | - | - | - |
| Restated Other Reserves at 1 April 2006 | 0 | 332,065 | 1,807 | 100 | (2,599) | 2,217 | 333,590 |
| Transfer to/from Income & Expenditure Reserve | - | (2,493) | - | - | 1,002 | - | (1,491) |
| Revaluation of Tangible Fixed Assets | | 221,233 | - | - | - | - | 221,233 |
| Backlog Depreciation | | (2,116) | - | - | - | - | (2,116) |
| Disposal of fixed assets | - | (2) | - | (6) | - | - | (8) |
| Transfer(to)/from OCS | - | - | - | - | - | (89) | (89) |
| At 31 March 2007 | 0 | 548,687 | 1,807 | 94 | (1,597) | 2,128 | 551,119 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

22. NOTES TO THE CASH FLOW STATEMENT

(i) Reconciliation of operating surplus/(deficit) to cashflow from operating activities

| | Notes | 2007 £000 | Restated 2006 £000 |
|--|-------|------------------|--------------------------|
| Total operating cost for the year | | (290,141) | (293,296) |
| <i>Adjust for:</i> | | | |
| (Profit)/loss on disposal of fixed assets | | 20 | 2,371 |
| Depreciation | 11 | 12,056 | 11,172 |
| Deficit on revaluation of assets | 21 | 1,433 | (676) |
| Other Finance Costs | | 1,288 | 1,887 |
| Pension Costs | | 1,788 | 3,245 |
| Interest Payable | | 166 | 11 |
| Discounting on finance lease | | - | (913) |
| Notional costs | 6 | 347 | 355 |
| Cost of capital charge | 8 | 26,143 | 21,609 |
| (Increase)/decrease in stock | | 21 | (236) |
| (Increase)/decrease in debtors | | 794 | (540) |
| (Increase)/decrease in prepayments & accrued income | | 1,173 | 1,956 |
| Increase/(decrease) in creditors | | (3,773) | (2,148) |
| Increase/(decrease) in accruals | | 557 | 3,984 |
| Increase/(decrease) in other tax and Social Security | | 1,007 | (1,059) |
| Increase/(decrease) in provisions | | (822) | 4,055 |
| Net cash inflow (outflow) from operating activities | | <u>(247,943)</u> | <u>(248,223)</u> |

(ii) Capital expenditure and financial investment

| | | |
|---|---------------|---------------|
| Purchase of tangible fixed assets | 13,071 | 22,900 |
| Proceeds from disposal of tangible fixed assets | (6,756) | (892) |
| Proceeds surrendered | 6,747 | 32 |
| | <u>13,062</u> | <u>22,040</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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

(iii) Financing

| | 2007 | Restated |
|---|----------------|-----------------|
| | £000 | 2006 |
| | | £000 |
| Recurrent grants received | 244,890 | 249,307 |
| Capital element of finance lease payments | (145) | (50) |
| Capital grants received | 13,532 | 22,678 |
| Issue of Loans | (5) | (30) |
| Loan Repayments | 44 | 47 |
| | <u>258,316</u> | <u>271,952</u> |

(iv) Analysis of net debt

| | 1 April 2006 | Cash flow | 31 March 2007 |
|--------------------------|---------------------|------------------|----------------------|
| | £000 | £000 | £000 |
| Cash | 1,974 | (2,855) | (881) |
| Bank overdraft | - | - | - |
| Debt due within one year | - | - | - |
| Debt due after one year | - | - | - |
| Finance leases | (3,612) | - | (3,612) |
| | <u>(1,638)</u> | <u>(2,855)</u> | <u>(4,493)</u> |

(v) Reconciliation of net cash to movement in net debt

| | 2007 | 2006 |
|--|----------------|----------------|
| | £000 | £000 |
| Increase/(decrease) in cash | (2,855) | 1,678 |
| Cash inflow/(outflow) from increase/(decrease) in debt | - | - |
| Change in net debt resulting from cash flows | <u>(2,855)</u> | <u>1,678</u> |
| Other non cash items | - | (2,425) |
| Movement in net debt | <u>(2,855)</u> | <u>(747)</u> |
| Net debt at 1 April 2006 | <u>(1,638)</u> | <u>(891)</u> |
| Net debt at 31 March 2007 | <u>(4,493)</u> | <u>(1,638)</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

23. CAPITAL COMMITMENTS

| | 2007 | 2006 |
|-------------------------------|---------------|---------------|
| | £000 | £000 |
| Contracted | 68,679 | 13,247 |
| Authorised but not contracted | 2,858 | 3,172 |
| | <u>71,537</u> | <u>16,419</u> |

24. FINANCIAL COMMITMENTS

At 31 March 2007 the Board had annual commitments under non-cancellable operating leases as follows:

| | 2007 | 2006 |
|---|-------------|-------------|
| | £000 | £000 |
| Expiring within one year | 37 | 56 |
| Expiring between one and five years inclusive | 70 | 76 |
| Expiring after five years | - | 2 |
| | <u>107</u> | <u>134</u> |

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

| | 2007 | 2006 |
|---|--------------|--------------|
| | £000 | £000 |
| Amounts included within other operating expenses in respect of PFI transactions deferred to be off Balance Sheet (note 5) | 3,218 | 2,459 |
| | <u>3,218</u> | <u>2,459</u> |

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

| | £000 | £000 |
|--|--------------|--------------|
| PFI scheme which expires within 1 year | - | - |
| PFI scheme which expires from 2 to 5 years (inclusive) | 2,361 | - |
| PFI scheme which expires from 6 to 10 years (inclusive) | - | 2,532 |
| PFI scheme which expires from 11 to 15 years (inclusive) | - | - |
| PFI scheme which expires from 16 to 20 years (inclusive) | - | - |
| PFI scheme which expires from 21 to 25 years (inclusive) | - | - |
| | <u>2,361</u> | <u>2,532</u> |

| | £000 | £000 |
|---|---------------|---------------|
| Estimated capital value of the PFI scheme | <u>31,794</u> | <u>31,874</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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 of the five Education and Library Boards within Northern Ireland over the duration of the contract. The PFI Scheme enables each Board to report financial issues under Accruals Accounting concept.

26. CONTINGENT LIABILITIES

Job Evaluation and back dated Pay Claims.

Whilst the Board expects a liability could arise, until the relevant job descriptions and evaluations have been agreed, we cannot estimate, with any certainty, the value of the liability to the Board. We include below a table detailing the progress of various job categories currently at this stage in the job evaluation process.

| Description | Est no of officers | Status |
|---|--------------------|---|
| Nursery Assistants | 102 | Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation. |
| General/Domestic Assistants | 168 | A generic job description is in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation. |
| Cleaners/Other Former Manual | 723 | Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation. |
| Educational Welfare officers/Miscellaneous | 17 | Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on the evaluation. |
| Music-teacher related Pay Scales | 18 | Music tutors have lodged a claim for backdated performance related increments. Negotiations are currently being conducted with the Labour Relations Agency. |
| Advisors – Structured Professional Assessment 3 | 39 | It has been agreed that Advisors on Soulbury pay scales will be entitled to a performance related increment if they meet the performance criteria. At this stage it is not possible to assess how many staff are likely to meet these criteria. |

The potential total liability if all of these potential liabilities were to materialise is currently estimated at £1.4m

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

27. POST BALANCE SHEET EVENTS

Details of post balance sheet events are given in the Director's report.

28. RELATED PARTY TRANSACTIONS

The South Eastern Education and Library Board is a Non-Departmental Public Body (NDPB) sponsored by the Department of Education, the 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 Schools;
- 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; and

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 the Remuneration Report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

29. THIRD PARTY ASSETS

The South Eastern Education and Library Board is responsible for the administration of Trust Funds which benefit the pupils of certain schools within its area. The Chief Executive, as Accounting Officer for the Board, is responsible for the propriety and regularity of the Trust Funds and for the keeping of proper records. These are not Board assets and are not included in the accounts. The assets, held at the balance sheet date to which it was practical to ascribe monetary values, comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

| | 2007 | 2006 |
|---|-------------|-------------|
| | £000 | £000 |
| Monetary assets such as bank balances and monies on deposit | 29 | 28 |
| Listed securities | 26 | 27 |
| | <u>55</u> | <u>55</u> |

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 2007

31. EUROPEAN UNION FUNDING

| Recurrent Funding | 2007 | 2007 | 2006 | 2006 |
|-------------------------------|---------------|--------------------|---------------|--------------------|
| Applicant: | Income | Expenditure | Income | Expenditure |
| | £000 | £000 | £000 | £000 |
| (a) Board | - | - | - | - |
| (b) Schools | - | - | - | - |
| (c) Other services | - | - | 14 | (11) |
| | <u>-</u> | <u>-</u> | <u>14</u> | <u>(11)</u> |
| Received from other services: | | | | |
| (a) Milk subsidy | 95 | 95 | 39 | (39) |
| (b) Others | - | - | - | - |
| | <u>95</u> | <u>95</u> | <u>39</u> | <u>(39)</u> |
| Capital funding | | | | |
| Applicant: | | | | |
| (a) Board | - | - | - | - |
| (b) Schools | - | - | - | - |
| (c) Other services | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>95</u> | <u>95</u> | <u>53</u> | <u>(50)</u> |

32. NEW OPPORTUNITIES FUND / BIG LOTTERY

| Recurrent funding | 2007 | 2007 | 2006 | 2006 |
|--------------------------|---------------|--------------------|---------------|--------------------|
| Applicant: | Income | Expenditure | Income | Expenditure |
| | £000 | £000 | £000 | £000 |
| (a) Board | 24 | 12 | - | - |
| (b) Schools | 116 | 122 | 561 | (674) |
| (c) Public libraries | - | - | - | - |
| (d) Other services | - | - | 279 | (426) |
| | <u>140</u> | <u>134</u> | <u>840</u> | <u>(1,100)</u> |
| Capital funding | | | | |
| Applicant: | | | | |
| (a) Board | - | - | - | - |
| (b) Schools | 558 | 433 | - | - |
| (c) Public libraries | - | - | - | - |
| (d) Other services | - | - | - | - |
| | <u>558</u> | <u>433</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>698</u> | <u>567</u> | <u>840</u> | <u>(1,100)</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

33. STATEMENT OF LOSSES

| | No. of Cases | 2007 £000 | No. of Cases | 2006 £000 |
|------------------------|-------------------------|----------------------|-------------------------|----------------------|
| (a) Cash losses | 31 | 3 | 39 | 4 |
| (b) Claims abandoned | 25 | 1 | 6 | 1 |
| (c) Fruitless payments | - | - | 2 | - |
| (d) Stores losses | 143 | 146 | 154 | 209 |
| | <u>199</u> | <u>150</u> | <u>201</u> | <u>214</u> |

34. STATEMENT OF SPECIAL PAYMENTS

| | No. of Cases | 2007 £000 | 2006 £000 |
|------------------------------|-------------------------|----------------------|----------------------|
| (a) Ex-gratia payments | - | - | - |
| (b) Extra statutory payments | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

35. FINANCIAL TARGET – RECURRENT

A:

| | Notes | DE £ 000 | Youth £000 | DCAL £000 | DEL £000 | Total £000 |
|---------------------------------------|-------|----------------|---------------|--------------|--------------|----------------|
| Net operating cost after financing | OCS | 273,616 | 4,669 | 8,374 | 3,482 | 290,141 |
| Less | | | | | | |
| DHSS&PS recurrent grant expenditure | 5 | - | - | - | 359 | 359 |
| (Profit)/loss on disposal | 5 | 20 | - | - | - | 20 |
| Depreciation/Deficit on Revaluation | 11 | 11,389 | 195 | 1,905 | - | 13,489 |
| Notional costs | 6 | 343 | 1 | 2 | 1 | 347 |
| Costs of capital charge | 8 | 25,133 | 222 | 746 | 42 | 26,143 |
| Increase/(decrease) in provisions | 16 | (968) | 14 | 128 | 4 | (822) |
| Increase/(decrease) pension liability | 17 * | 2,707 | 117 | 237 | 15 | 3,076 |
| Net expenditure | | <u>234,992</u> | <u>4,120</u> | <u>5,356</u> | <u>3,061</u> | <u>247,529</u> |
| Accrued RAP Income | ** | 241,738 | 4,336 | 5,634 | 3,092 | 254,800 |
| Year end position (2007) | | <u>6,746</u> | <u>216</u> | <u>278</u> | <u>31</u> | <u>7,271</u> |
| Year end position (2006) | | <u>2,046</u> | <u>99</u> | <u>216</u> | <u>265</u> | <u>2,626</u> |

B: Centre Funding

| | DE – Centre £000's |
|--------------------------------------|-----------------------|
| 2006 (Deficit)/Surplus | (12,356) |
| Repayment to Department of Education | 4,500 |
| (Deficit)/Surplus March 2007 | <u>(7,856)</u> |

C: School Delegated

| | DE – Schools £000's |
|---------------------|------------------------|
| School Surplus 2006 | 7,808 |
| In year Surplus*** | 664 |
| School Surplus 2007 | <u>8,472</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

D: Analysis of Year End Position

| | EYF Entitlement | Reduction | Restricted EYF |
|-----------------------|----------------------------|------------------|---------------------------|
| March 2007 | £000's | £'000's | £'000's |
| Schools EYF | 664 | 0 | 664 |
| Earmarked/Ring Fenced | 3,521 | 960 | 2,561 |
| Other Centre | 2,562 | 495 | 2,067 |
| Total | 6,747 | 1,455 | 5,292 |
| March 2006 | £000's | | |
| Centre Mainstream EYF | 1,167 | | |
| Earmarked EYF | 879 | | |
| Total | 2,046 | | |

- * Increase/decrease in pension liability excluding gains or losses charged to the STRGL
- ** Please note Resource Allocation Plan (RAP) income includes Premature Retirement Compensation (PRC), and End Year Flexibility (EYF), but excludes Annually Managed Expenditure (AME: non-cash costs).
- *** In year surplus represents the increase in the surplus held which is due to schools.

Funding Commitment/End Year Flexibility

The year end position (2007) for DE and Youth represents a funding commitment/end year flexibility from the Department of a guaranteed resource which will be added to the Board's approved spending limit in future financial years. These resources have not been accrued as funding to the Income and Expenditure Reserve.

The Board's financial targets for 2006/07 were to contain expenditure within the accrued limits approved by the Departments in the Resource Allocation Plans (RAPs). These targets have been achieved.

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

1. This direction applies to the South-Eastern Education and Library Board.
2. The South-Eastern Education & Library Board shall prepare accounts for the financial year ended 31 March 2007 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (“the FReM”) issued by the Department of Finance and Personnel (DFP) which is in force for the financial year for which the accounts are being prepared.
3. The accounts shall be prepared so as to:
 - a. give a true and fair view of the state of affairs at 31 March 2007 and subsequent financial year-ends, and of the income and expenditure, total recognised gains and losses and cash flows for the financial year then ended; and
 - b. provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly/Parliament or material transactions that have not conformed to the authorities which govern them.
 - c. provide for any specific disclosures required by the Department.
4. Compliance with the requirements of FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department, in conjunction with DFP.
5. This direction supersedes the direction dated 31 March 2006.

Date of Submission

The accounts shall be submitted to the Comptroller and Auditor General by 1 June immediately following the end of the financial year.

Signed by the authority of the Department of Education

COLLEEN TONER

Dated 5th January 2007

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