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Education budgets in other jurisdictions

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This research paper considers the recent education budgets for England, Scotland, Wales and the Republic of Ireland. It finds that budgetary reductions will be made to education across a range of areas across the jurisdictions, with capital spending, central administration and public sector pay commonly targeted areas for savings.

Key Points

- This paper considers the recent education budgets in England, Scotland, Wales and the Republic of Ireland;
- Each of the jurisdictions considered has stated that they have aimed to protect frontline services as far as possible;
- A broad range of areas will receive budgetary reductions across the jurisdictions; however the following are commonly targeted for savings:
 - **Capital spending:** Reductions across all jurisdictions; a key example is the ending of England's *Building Schools for the Future* Programme;
 - **Central administration:** Including budgetary reductions to central bodies and the abolition of Arms-Length Bodies;
 - **Changes to public sector employment:** The public sector pay freeze in England, Scotland and Wales is expected to result in significant savings; in the Republic of Ireland, teaching and non-teaching posts will be cut, and some other posts will receive pay reductions;
- The Department of Education in England plans to end a number of ring fenced grants and payments, replacing them with greater flexibility for local authorities and head teachers to make budgetary decisions;
- It will also introduce a new pupil premium for the most disadvantaged pupils; schools will, however, be expected to find savings around administration and procurement;
- In Scotland, actions will be taken to protect teaching posts, invest in early years education and to continue with the schools building programme; Savings will be linked to teacher training and Continuing Professional Development;
- The Welsh budget prioritises early years funding and other areas including free primary school breakfasts and Continuing Professional Development; while savings will be made around Further and Higher Education;
- The National Recovery Plan in the Republic of Ireland sets out a combination of cuts and additional charges in education;
- These include increased charges relating to school transport and reductions in public sector headcount, a revised approach to substitution arrangements in schools and administrative savings.

Executive Summary

Introduction

This paper considers the recent education budgets released in England, Scotland, Wales and the Republic of Ireland. The budgets stem from the *2010 Spending Review* developed by HM Treasury in England and the *National Recovery Plan 2011-14* in the Republic of Ireland, which both aim to reduce significant budget deficits and support longer-term economic growth.

Common features of education budgets

Each of the jurisdictions considered for this paper has emphasised that frontline services have been prioritised within education. Examples of this include actions outlined within the Scottish budget to protect teaching positions and the introduction of a pupil premium for disadvantaged pupils in England. Early years education and care has also been outlined as an important priority for England, Scotland and Wales.

Reductions in budgetary allocations have been planned through a broad range of areas within education across the jurisdictions. However, areas that are common to the budgets include:

- **Capital spending:** Capital budgets have been reduced in all jurisdictions; for example, the *Building Schools for the Future* Programme in England has been ended;
- **Central administration:** Measures include abolishing Arms-Length Bodies in England and reductions to bodies with an administrative function in Wales; and
- **Changes to public sector employment:** A public sector pay freeze in England, Scotland and Wales is expected to achieve significant savings; while in the Republic of Ireland, new entrants to the public service within education and skills will receive a 10% pay cut, and plans are in place to reduce the number of teaching posts.

The following paragraphs briefly consider the key points of each education budget. Table 1 on Page 5 presents an overview of savings across the jurisdictions.

England

Overall, the resource budget for the Department of Education will decrease by 3% in real terms to £53.9bn, and the capital budget by 60% to £3.4bn by 2014-15.

Key features of this budget include the ending of a number of ring fenced grants and payments, to be replaced with more flexibility for local authorities and head teachers in deciding how budgets should be used.

The introduction of a pupil premium of £430 a year for pupils receiving free schools meals is another key policy aiming to support the most disadvantaged pupils; head teachers will be able to decide how to use this funding. Schools will, however, have to find savings around procurement and administration.

Scotland

The central resource budget will be cut in cash terms by 6.8% to and the capital budget by 28.9% in 2010-11; the overall spend will be £2,583.6m. However, it should be noted that the majority of educational expenditure in Scotland is funded by local authorities, who will receive a reduction of 2.6% in their budget.

Key priorities outlined include the protection of teaching positions, a new Early Years Fund and continuing investment in the school building programme. Areas to be cut include teacher training through a reduction in intake numbers; Continuing Professional Development for teachers and leaders; and education awards and other events.

Wales

The resource budget for Wales will be reduced by 1.3% in 2011-12 to £1.673bn, with small cash increases in subsequent years. Capital funding will be reduced by 5.5% to £1.734bn in 2011-12, with further reductions in the two subsequent years.

A number of priorities for investment are outlined for Wales, including increases in funding to the early years programme; the network of targeted support for children from disadvantaged families; Continuing Professional Development; and continued funding for free primary school breakfasts.

Areas that will receive reductions to funding include Higher and Further Education and reductions to bodies with an administrative function.

Republic of Ireland

Resource expenditure in 2011-12 will be €8.364bn; an increase of just under 1% on the equivalent 2010 allocation to take account of upward pressures (including demographic increases). The capital budget will be reduced by 69% to €491m.

A combination of cuts and additional charges for education has been set out in the *National Recovery Plan*. Additional charges include around school transport and an increased Student Contribution for Further and Higher Education. Reductions will be made to a range of areas, including to teaching and non-teaching headcount; pay reductions for support and ancillary staff and to new entrants to the public service; a revised approach to substitution arrangements in schools; and administrative savings.

Table 1 overleaf presents an overview of the key areas for savings across each of the jurisdictions.

Table 1: Overview of key areas for savings

England	Scotland	Wales	Republic of Ireland
<ul style="list-style-type: none"> • 60% reduction in capital funding • New Early Years Grant replaces previous funding streams with 10.9% reduced funding • Procurement and administration savings within schools • Reduction in central administration by a third • Abolition of five Arms Length Bodies • Reduction in unit costs for 16-19s • Ending Education Maintenance Allowance • Efficiencies in Sure Start • Public sector pay freeze (£1.1bn savings) 	<ul style="list-style-type: none"> • 28.9% reduction in capital funding • Teacher training reduced by 76% • CPD for teachers and leaders reduced by 65% • Communications reduced by 23% • Design and consultation support on school building reduced by 20% • National support and challenge funding reduced by £26m 	<ul style="list-style-type: none"> • 5.5% reduction in capital funding in 2011-12 (rising to 10.9% 2013-14) • Higher Education reduced by 11.8% • Further Education reduced by 2.1% • Funding for Careers Wales reduced by 7.25% • Reductions for bodies with an administrative function 	<ul style="list-style-type: none"> • 69% reduction in capital funding • Additional charges on school transport • 5% reduction in funding grants to schools • Reductions in teaching and non-teaching posts • Reduced pay to support services and new entrants to public service • Cap on numbers of psychologists and Special Needs Assistants • Revised approach to substitution arrangements • Reduction of 7% to Higher Education • Increased student contributions • Administrative savings

Conclusion

It is evident that a broad range of areas within education will be affected by the planned budgetary reductions. While each jurisdiction has set out to protect frontline services as far as possible, it is likely that schools and other key services will have to make efficiency and other savings. Commonly, capital spending, central administration and public sector pay and employment have been targeted by Governments for reductions.

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1 Introduction

The *2010 Spending Review* developed by HM Treasury¹, and the *National Recovery Plan 2011-14* by the Department of Finance² in the Republic of Ireland, have set out plans attempting to address the budget deficit within the respective jurisdictions. The budgets also seek to promote sustainable growth in a time of challenging economic circumstances. The Governments of Scotland and Wales have also set out their plans in line with the budget settlements they have received.

This research paper considers the budgetary measures taken by the respective Governments in the Republic of Ireland, Scotland and Wales, and by the UK Parliament in relation to England, with regard to education. It explores the common features of the education budgets and the key points of each budget in relation to education, outlining areas that have been reduced and those that have been protected.

2 Common features of education budgets

In England, Scotland and Wales, budgets have outlined both a number of areas for investment and areas where reductions are to be made. The *National Recovery Plan* in the Republic of Ireland has set out a combination of measures to reduce to budget deficit, including reductions in budget allocations, as well as the introduction of additional charges and costs for pupils and students, for example, in relation to school transport. The following paragraphs consider key priorities and areas for savings outlined across the jurisdictions.

Priorities

Each of the jurisdictions considered in this paper has stated that their budget aims to protect frontline services. For example, in England, the budget provides for a new pupil premium to support pupils from disadvantaged backgrounds, while in Scotland, actions are being taken to protect teaching positions.

Early years education has been outlined as a key priority for England, Scotland and Wales. For example, England has outlined plans to extend 15 hours of free early years education to all disadvantaged two years olds, while Wales is increasing funding to its early years programme.

Areas for savings

Capital budgets have been reduced in all jurisdictions considered in this paper. Reductions have been particularly significant in England, which has ended its *Building Schools for the Future* programme, and in the Republic of Ireland, reflecting the overall planned reduction in capital spending announced in the *National Recovery Plan*.

¹ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

² Department of Finance (2010) *The National Recovery Plan 2011-14* Dublin: The Stationery Office

However, Scotland has outlined plans to continue to invest in their school building programme, despite a reduction of 28.9% in their capital budget.

Central administration is another area commonly targeted for savings and efficiencies. The *Spending Review* in England outlines plans to reduce central administration in education by a third, in addition to abolishing five Arms Length Bodies. In Wales, bodies with an administrative function are to receive reductions and a “Frontline Resources Review” is underway which aims to realise further efficiencies through rationalising policy development and funding streams and increasing the sharing of resources.

Changes to public sector pay within education are also common across the jurisdictions. In England, Scotland and Wales, a public sector pay freeze is expected to save significantly (£1.1bn for the Department of Education). The *National Recovery Plan* in the Republic of Ireland goes further, outlining a reduction of around 1,200 teaching posts; a cap on the number of Special Needs Assistants and psychologists in schools; other reductions in headcount within education and skills; and a reduction in salary scales by 10% to new entrants to the public service.

The remainder of this paper considers the budgets of England, Scotland, Wales and the Republic of Ireland individually. It should be noted that the budget figures for England are presented in real terms, while the budgets for Scotland, Wales and the Republic of Ireland are presented in cash terms. Therefore comparisons between the jurisdictions should be treated with some caution.

3 England

Financial overview

In the *Spending Review 2010*³, the Coalition Government set out plans to reduce Britain’s overall budget deficit. Among the key priorities in the Spending Review were the NHS, schools and early years provision.

Overall, the resource budget for the Department for Education will decrease in real terms by 3% by 2014-15, to £53.9bn. The capital budget will decrease in real terms by 60% in the same time period, to £3.4bn. However, this settlement includes a real terms increase of 0.1% in each year of the Spending Review for the 5 to 16s schools budget.⁴

Key priorities

A key aspect of the Department for Education settlement was the introduction of a pupil premium. This aims to support the educational development of the most disadvantaged

³ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

⁴ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

pupils, and to encourage schools to take on pupils from less affluent backgrounds. The underlying per pupil funding for the school system is protected in cash terms.⁵

The pupil premium will start at £430 a year for every pupil receiving free school meals, rising over the next four years, with an overall investment of £2.5bn.⁶ The premium will be provided to local authorities for distribution to schools who may choose how to use the money most effectively in supporting pupils from poorer backgrounds.⁷ In addition, the Coalition Government aims to expand the pupil premium to children who have been eligible for free school meals in the past after 2011-12.⁸

Early years is another priority outlined within the departmental settlement, with the provision of 15 hours a week of free early years education extended to all disadvantaged two year olds from 2012-13, at a total cost of £300m a year. Universal entitlement to 15 hours of provision for all three and four year olds is also maintained within the budget.⁹

With regard to Sure Start, the review states that services will be maintained in cash terms and refocused on their original purpose, to target early intervention to those families most in need of support. There will also be new investment in health visitors working alongside outreach and family support workers; this will be provided through the Department of Health budget.¹⁰

However, it should be noted that a range of grants for early years services are finishing, to be replaced by an Early Intervention Grant (EIG) for local authorities. This is discussed in further detail in the subsequent paragraphs.

Areas for savings

Early Years

As discussed above, a new early intervention grant will be introduced in 2011-12, totalling around £2bn by the end of the Spending Review period.¹¹ This grant replaces many existing, centrally-directed grants and will not be ring fenced. It will be provided to

⁵ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

⁶ *The Department responds to the Institute of Fiscal Studies report on the pupil premium* [online] Available at: <http://www.education.gov.uk/inthenews/inthenews/a0070654/the-department-responds-to-the-institute-of-fiscal-studies-report-on-the-pupil-premium>

⁷ *Allocations to Local Government and Maintained Schools* [online] Available at: <http://media.education.gov.uk/assets/files/pdf/m/michael%20gov%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

⁸ *Allocations to Local Government and Maintained Schools* [online] Available at: <http://media.education.gov.uk/assets/files/pdf/m/michael%20gov%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

⁹ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

¹⁰ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

¹¹ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

local authorities, worth £2212m in 2011-12. The former funding streams to be replaced by the grant include:¹²

- Sure Start Children's Centres;
- Early Years Sustainability (including funding for quality and inclusion, holiday child care and disabled access to childcare);
- Early Years Workforce;
- Disabled Children Short Breaks;
- Youth Crime Action Plan;
- Teenage pregnancy; and
- Child Trust Fund.

The Secretary of State for Education, Michael Gove, has stated that the funding to be allocated to the EIG in 2011-12 is 10.9% lower than the aggregated 2010-11 funding through the previous grants. Local authorities will have the flexibility to determine how the money is spent; however, the Government has made clear that free early education for disadvantaged two year olds and short breaks for disabled children are key areas of early intervention where the overall grant provides support. In addition, the EIG provides sufficient funding to maintain the existing network of Sure Start Children's Centres.¹³

Capital funding

Capital funding will total £15.8bn over the Spending Review period; a real terms reduction of 60% by 2014-15. The savings will be largely made by the Coalition Government's decision to end the *Building Schools for the Future* (BSF) programme, which aimed to rebuild or renew every post-primary school in England. However, the Government will continue to rebuild or refurbish over 600 schools from the BSF and Academies programmes, with a focus on areas of severe demographic pressure and where there are essential maintenance needs.¹⁴

Schools

Another key feature of the departmental settlement is increased flexibility for head teachers with regard to their budgets. A message from Michael Gove¹⁵ states that schools will continue to receive existing baseline money; however the ring fences will be removed meaning that head teachers will have control over how the money is spent.

¹² *Allocations to Local Government and Maintained Schools* [online] Available at: <http://media.education.gov.uk/assets/files/pdf/m/michael%20gov%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

¹³ *Allocations to Local Government and Maintained Schools* [online] Available at: <http://media.education.gov.uk/assets/files/pdf/m/michael%20gov%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

¹⁴ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

¹⁵ *Message from the Secretary of State on the Comprehensive Spending Review* [online] Available at: <http://www.education.gov.uk/aboutdfe/spendingreview/a0065648/message-from-the-secretary-of-state-on-the-outcome-of-the-comprehensive-spending-review>

The allocation for the following will continue to be provided, however in a non-ring fenced manner:

- One-to-one tuition;
- Every Child programmes;
- Extended schools;
- School Lunch Grant;
- School Standards Grant;
- School Development Grant;
- Specialist schools grant;
- Ethnic Minority Achievement Grant;
- National Strategies' budgets that were allocated to schools;
- Dedicated Schools Grant; and
- Academies running costs.

Schools will, however, have to find savings around procurement and 'back office' of around £1bn across England, to reinvest into frontline teaching and learning.¹⁶

Michael Gove¹⁷ has stated that although the overall schools budget before the pupil premium will remain the same per pupil, budgets for individual schools will vary, and some schools will face cash reductions in their budget where they have fewer pupils, or where local authorities make changes to the distribution of funding. However, a minimum funding guarantee has been put into place whereby no school will experience a reduction of more than 1.5% per pupil before the pupil premium is applied, excluding sixth form funding. Local authorities will have the flexibility to set a higher level of guarantee.

Other savings

The settlement for the Department for Education involves savings of 12% in real terms by 2014-15 through the non-schools budget. This includes reducing central administration by a third and abolishing five Arms Length Bodies. In addition, the planned savings include:¹⁸

- Reducing unit costs in the 16-19 participation budget;
- Ending the Education Maintenance Allowance: a means-tested payment for pupils staying on in education after the statutory leaving age, to be replaced with a discretionary learner support fund;

¹⁶ *Message from the Secretary of State on the Comprehensive Spending Review* [online] Available at: <http://www.education.gov.uk/aboutdfe/spendingreview/a0065648/message-from-the-secretary-of-state-on-the-outcome-of-the-comprehensive-spending-review>

¹⁷ *Allocations to Local Government and Maintained Schools* [online] Available at: <http://media.education.gov.uk/assets/files/pdf/m/michael%20govoves%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

¹⁸ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

- Finding efficiencies in Sure Start; and
- Rationalising and ending centrally directed programmes for children, young people and families (discussed previously in this section of the paper).

The public sector pay freeze is expected to save an additional £1.1bn for the Department for Education.¹⁹

4 Scotland

Financial overview

The majority of expenditure on school education in Scotland is funded by local authorities. Local authorities are experiencing a cut of 2.6% in their budget in 2011-12. With regard to the central education budget in this period, it will see a reduction in the resource budget in cash terms by 6.8% (a reduction of £168m) and the capital budget will fall by 28.9% (reduction of £65.8m).²⁰ The overall spend in 2011-12 will be £2,583.6m; taking into account an overall reduction of £233.8m.²¹

Key priorities

The Scottish Government's draft budget²² sets out a number of priorities for education in 2011-12, stating that by focusing on these areas, it will be possible to protect expenditure that supports economic growth and supports the delivery of key priorities. These priorities include the following:

- Focusing resources on supporting improved outcomes for children, young people and users of social care and investing in order to deliver a more relevant learning experience for all learners;
- Investing £9m in the development of a 'new generation' of National Qualifications; aiming to retain the strengths of current arrangements while providing reduced complexity and greater autonomy for teaching professionals;
- Continuing to invest in Scotland's Schools for the Future, the school building programme which aims to provide support to every local authority to either rebuild or refurbish schools (£20m to be invested);
- Establishing a new executive agency: the Scottish Education Quality and Improvement Agency. This agency aims to improve efficiency by bringing together Her Majesty's Inspectorate of Education and Learning and Teaching Scotland;

¹⁹ HM Treasury (2010) *Spending Review 2010* London: The Stationery Office Limited

²⁰ *Budget: education* [online] Available at: <http://www.scotland.gov.uk/News/Releases/2010/11/17145630> November 2010

²¹ The Scottish Government (2010) *Scotland's Spending Plans and Draft Budget 2011-12* Edinburgh: The Scottish Government

²² The Scottish Government (2010) *Scotland's Spending Plans and Draft Budget 2011-12* Edinburgh: The Scottish Government

- Continuing to give priority to early years by introducing a new Early Years and Early Intervention Fund from 2011-12 with initial funding of £5m; this will make additional funding available to the community and voluntary sector in order to build their capacity; and
- Maintaining the Education Maintenance Allowance for those aged 16-19.

In addition, a settlement for local government agreed with the leadership of the Convention of Scottish Local Authorities (COSLA) relates to the delivery of a range of measures. Through this, local government retains a commitment to the implementation of *Curriculum for Excellence* and the *Early Years Framework*. The package also seeks to protect teaching positions as far as possible to ensure that this year's probationary teachers gain employment, and in the longer term, to enable a reduction in longer-term teacher unemployment.²³

Areas for savings

The draft budget states that actions will be taken to reduce regulation and national bureaucracy. In addition, there will be a reduction of £26m on national support and challenge in order to protect frontline services as far as possible.²⁴

Reductions within the draft Scottish Government's education budget include the following:²⁵

- Teacher training (reduced by 76% in cash terms); intake numbers have been reduced;
- Continuing Professional Development for teachers and leaders (reduced by 65% in cash terms);
- Communications, including education awards and other events (reduced by 23% in cash terms);
- Design and consultation support for local authorities on school building programmes (reduced by 20% in cash terms); and
- Support for learning, including supporting pupils on behaviour and relationships, promoting health in schools and funding to the Scottish Traveller Education Programme.

²³ The Scottish Government (2010) *Scotland's Spending Plans and Draft Budget 2011-12* Edinburgh: The Scottish Government

²⁴ The Scottish Government (2010) *Scotland's Spending Plans and Draft Budget 2011-12* Edinburgh: The Scottish Government

²⁵ *Draft budget 2011-12 Level 4 data* [online] Available at :

<http://www.scottish.parliament.uk/business/financialscrutiny/documents/DraftBudget2011-12Level4.xls>

5 Wales

Financial overview

Revenue funding for Department for Children, Education, Lifelong Learning and Skills (DCELLS) in 2011-12 has been reduced by £21.1m, or 1.3%, to £1.673bn. For 2012-12 the budget will see an increase of 0.5%, and in 2013-14 its budget will increase by 1.4% to £1.705bn.²⁶

Capital funding has been reduced by 5.5% (£10.1m) for 2011-12, and will decrease further by 7% (£12.1m) for 2012-13 and 10.9% (£17.5m) for 2013-14.²⁷

Key priorities

The DCELLS budget sets out a number of priorities with a view to protecting frontline services that have a direct impact on children. These include the key areas outlined in the following table.²⁸

Table 2: Priorities for DCELLS budget

Area	Overall increase	Specific arrangements
Action for Children and Young Peoples Strategy	£5.6m increase from 2012-14	<ul style="list-style-type: none"> The early years programme, Flying Start will receive indicative increases; Cymorth, a fund providing a network of targeted support for children and young people from disadvantaged families will receive indicative increases; and The 14-19 Learning Pathways will be maintained.
Curriculum and Assessment Action	£21.6m increase from 2011-14	<ul style="list-style-type: none"> The continuing roll-out of the Foundation Phase, which aims to provide a more effective way of learning for three to seven year olds, will receive additional funding of £21.6m over three years from 2011-12.
Support for Learners	£9.2m increase 2011-12; £2.8m in 2012-13; £2.9m in 2013-14	<ul style="list-style-type: none"> Post-16 Special Educational Needs support will be given an additional £6.5m per year; Provision of free primary school breakfast will continue; School-based counselling will receive future year increases to funding; and

²⁶ Welsh Assembly Government (2010) *Draft Budget 2011-12* Welsh Assembly Government

²⁷ Welsh Assembly Government (2010) *Draft Budget 2011-12* Welsh Assembly Government

²⁸ Welsh Assembly Government (2010) *Draft Budget 2011-12* Welsh Assembly Government

Area	Overall increase	Specific arrangements
	2013-14	<ul style="list-style-type: none"> The Minority Ethnic Achievement Grant and the Gypsy Travellers learning grant will receive additional funding.
Schools Effectiveness Framework	n/a	<ul style="list-style-type: none"> Continuing Professional Development for school staff aiming to improve basic literacy skills through effective teaching will receive £1m of additional funding in 2011-12; increasing to £3m and then £5m over the three years; and School leadership and effectiveness will receive an additional £2.7m, and £4.2m for future years.
Skills budgets	Increase of £14m from 2012-14	<ul style="list-style-type: none"> Pathways to Apprenticeship Programme will continue; Special focus on youth engagement and employment and tackling long-term unemployment; and Planned improvements to advice, information and guidance services.

Areas for savings

A Frontline Resources Review is underway which aims to realise efficiencies by rationalising policy development and funding streams; increasing collaboration in providing services and encouraging the sharing of resources. The draft budget states that the majority of reductions have been focused on specific areas. These include the following:²⁹

- Higher Education will receive a reduction of £51m (11.8%) over the next three years;
- Funding for Careers Wales will be reduced by £3m (7.25%) in 2011-12, with further reductions in subsequent years (efficiencies are likely to be sought through re-configuration of the careers companies and delivery of services);
- Funding for Further Education (FE) will be reduced by £6.5m in 2011-12 (2.09% of the FE budget); indicative budgets for 2012-14 remain constant;
- Bodies with an administrative function, such as the Children's Commissioner for Wales and the Student Loans Company will receive reductions in line with

²⁹ Welsh Assembly Government (2010) *Draft Budget 2011-12* Welsh Assembly Government

those applied to the Departmental Running Costs within the Welsh Assembly Government; and

- A largely project-based strategic capital fund will be applied to enable more effective management of funding.

6 Republic of Ireland

Financial overview

Resource expenditure of €8.364bn has been made available for 2011; an increase of just under 1% on the equivalent 2010 allocation. This is to take account of upward pressures including the costs of pensions and demographic increases. Overall, the budget for the Department of Education and Skills will receive a cut of 2% to €8.855bn for 2011. This figure includes provision for the expenditure of €362m under the National Training Fund in 2011, which is a reduction of 14% compared to the allocation for 2010.³⁰

The capital budget for 2011 will be €491m, compared to €707m in 2010.³¹ This is reflective of the overall planned reduction in capital spending announced in the National Recovery Plan.

Key priorities

The Minister for Education and Skills, Ms. Mary Coughlan, has stated that the Government had done as much as it could to protect frontline education services.³²

Areas for savings

The education budget sets out both savings and efficiencies to be realised and additional charges and costs for pupils and students across a range of areas. A number of key areas are outlined in the following table and some are discussed in further detail subsequently.³³

³⁰ Information Note regarding main features of 2011 Estimates for Education and Skills Vote [online] Available via: <http://www.education.ie/home/home.jsp?maincat=&pcategory=10861&ecategory=10876§ionpage=12251&language=EN&link=link001&page=1&doc=51603>

³¹ Department of Finance (2010) *2011 Estimates for Public Services and Summary Public Capital Programme*

³² Tánaiste outlines education and skills detail of Budget 2011 [online] Available at: <http://www.education.ie/home/home.jsp?maincat=&pcategory=10861&ecategory=10876§ionpage=12251&language=EN&link=link001&page=1&doc=51603>

³³ Information Note regarding main features of 2011 Estimates for Education and Skills Vote [online] Available via: <http://www.education.ie/home/home.jsp?maincat=&pcategory=10861&ecategory=10876§ionpage=12251&language=EN&link=link001&page=1&doc=51603>

Table 3: Department of Education and Skills areas for savings

Area	Savings
School Transport	<ul style="list-style-type: none"> • Introduction of an annual transport fee of €50 for primary school pupils; • Annual charge for post-primary pupils will be increased from €300 to €350; and • Changes arising from a value for money review will include that children living less than two miles from the school will lose their transport eligibility; and a pick up density of pupils will be required to establish or maintain services.
Schools	<ul style="list-style-type: none"> • An average of 5% reduction in funding grants (e.g. Community Education and the School Completion Programme), reducing capitation rates to those that applied to schools between 2007 and 2008; • Reduced rates to ancillary and support services grants to reflect the reduction in pay to personnel paid by these grants (e.g. caretakers and school cleaners); • Reductions in teacher numbers through a combination of measures; and • Revised approach to supervision and substitution arrangements in schools, including post-primary teachers available for an extra class period a week to cover for absent colleagues.
Special Needs Assistants	<ul style="list-style-type: none"> • A cap will be placed on the number of Special Needs Assistants.
Further and Higher Education	<ul style="list-style-type: none"> • Gross reduction of 7% on provision for Universities, Institutes of Technology and other higher education institutions in 2011; • The current Student Services charge of €1,500 will be replaced with a Student Contribution of €2,000; and • Introduction of a €200 annual contribution for Post Leaving Certificate students.
Other current expenditure items	<ul style="list-style-type: none"> • Capping the number of psychologists in the National Educational Psychological Service (€3m in savings); • Reduction in salary scales by 10% for new entrants to the public service; • Reductions in public sector headcount within Education and Skills; and • Administrative and other non-pay savings of €18m.
Capital expenditure	<ul style="list-style-type: none"> • Reduction in allocation from €707m to €491m; and • Reduction in allocation for Schools Information and Communications Technology from €63m in 2010 to €1.5m in 2011.

School Transport

The budget outlines savings of €4.5m in 2011, rising to €17m in 2014, based on a combination of increases in charges and implementation of other measures.

Schools

Reductions of around 5% to a range of funding grants to schools and Vocational Educational Committees are expected to save €22m in 2011. This will result in a fall in capitation rates to those that applied to schools between 2007 and 2008; there will also be similar reductions in capitation rates to Senior Traveller Training Centres, Vocational Training Opportunities Scheme and Post Leaving Certificate students.

Teacher numbers will be reduced by approximately 1,200 posts from September 2011 (700 primary and 500 post-primary), with the deferral of 150 extra posts. This will however be partly offset by the addition of around 875 new posts due to demographics. The savings are expected to be €24 in 2011, rising to €98 in 2014. The measures to reduce teacher numbers include:

- Deferral of the planned provision of 150 extra teachers in 2011;
- Increasing the pupil-teacher ratio from one teacher for every 17 pupils to one for every 19 pupils (expected to save 200 posts);
- Standardising the staffing schedule for Irish-medium schools to the same that operates for other schools (expected to save 50 posts);
- Withdrawal of Resource Teachers for Travellers posts at primary level, and teaching hours for Travellers at post-primary (expected to save 600 posts);
- Phased reduction in the number of Language Support Teachers (500 over four years); and
- Removal of 47 rural coordinator teaching posts.

Other current expenditure items

A reduction in salary scales for new entrants to the public service is expected to save €1m in 2011, rising to €12m in 2014. All new entrants will start on the minimum point of the new scale.

Capital expenditure

The capital allocation for education aims to meet the demographic needs in primary and post-primary schools and for some improvement in existing school buildings, in addition to some prioritised investment in third-level infrastructure.

The significant reduction in the capital allocation for Schools Information and Communications Technology is a reflection of previous investment in schools ICT in 2009 and 2010.

7 Conclusion

This paper has considered the education budgets for England, Scotland, Wales and the Republic of Ireland. It is evident that significant reductions in budgetary allocations are to be made within each of the jurisdictions, with a broad range of areas to be affected.

The spending plans for each of the jurisdictions have stated that they have tried to protect frontline services as far as possible. Nonetheless, it is clear that some frontline services, including schools, are likely to receive reductions to their budgets and will have to find efficiencies. Commonly, capital spending, central administration and public sector pay have been targeted as areas where savings are to be made.