



Northern Ireland
Assembly

**COMMITTEE
FOR EDUCATION**

OFFICIAL REPORT
(Hansard)

**Ministerial Briefing on the Department of
Education Draft Budget 2011-15**

18 January 2011

NORTHERN IRELAND ASSEMBLY

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Draft Budget 2011-15**

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Members present for all or part of the proceedings:

Mr Mervyn Storey (Chairperson)
Mr David Hilditch (Deputy Chairperson)
Mr Dominic Bradley
Mrs Mary Bradley
Mr Jonathan Craig
Mr Trevor Lunn
Mr Basil McCrea
Miss Michelle McIlveen
Mr John O'Dowd
Mrs Michelle O'Neill

Witnesses:

Ms Caitriona Ruane) Minister of Education
Mr John McGrath) Department of Education
Mr Jackie McMullan) Ministerial Adviser

The Chairperson of the Committee for Education (Mr Storey):

I called this meeting for the sole purpose of discussing the Department of Education's draft

Budget allocations. Members have a copy of the Minister's draft proposals. I welcome to the meeting the Minister of Education, her adviser Jackie McMullan, and the deputy secretary, John McGrath.

We are in difficult and challenging times. The Budget presents huge challenges. It was only right and proper that the Committee got to work as soon as it was made aware of the publication of the report and the draft proposals. Some of that work was done yesterday. Today's meeting is to further progress that. As the Minister indicated to us in correspondence some time ago, there is a desire on her part to have a constructive exchange in relation to the Budget. Members have already raised their serious concerns.

I invite the Minister to make her presentation. That will be followed by a rota of questions, which has been agreed by the Committee.

The Minister of Education (Ms Ruane):

Go raibh maith agat a Chathaoirligh. Ba mhaith liom mo bhuíochas a ghabháil leat ar dtús as an deis seo a thabhairt dom mo mholtaí cáinainnéise — agus an chiall atá taobh thiar dóibh — a leagadh amach don Choiste i ndiaidh foilsiú na moltaí Déardaoin seo caite. Tá súil agam go mbeidh plé torthúil againn agus go mbeidh na dúshláin oideachais a chruthaítear sa dréachtbhuiséad mar chomhchuspóirí againn, mar rachaidh na dúshláin sin i bhfeidhm ar shaolta ár gcuid páistí san am atá le teacht.

I thank you for providing me with this opportunity. I requested a meeting with the Committee to set out my budget proposals and the rationale for them, following their publication last Thursday. I welcome the fact that the Chairperson and the Committee want to have constructive engagement, because I am on the same page in that regard. I hope that we can have a productive discussion about the challenges that the draft Budget poses for the Department of Education and,

hence, for the future of our children and our society.

Before I comment on the Budget, I want to say a few words about David McKee. Last week, the education community lost a committed member when David, chairperson of the Council for the Curriculum, Examinations and Assessment, passed away. David taught in schools in Belfast and Omagh, before spending 14 years as principal of the Duke of Westminster High School. I pay tribute to David's years of service to generations of young people and all his work on behalf of the wider community in Omagh. I also publicly express my sympathy to Linda and their children: Maura, Michael, Rory and Conor.

Díreoidh mé anois ar an dréachtbhuiséad. Tá sé tábhachtach go dtuigtear go bhfuair an Coiste Feidhmiúcháin £1.6 billiún sa bhreis mar ioncam reatha, thar thréimhse an bhuiséid, mar gheall ar an obair a rinne an grúpa athbhreithnithe buiséid agus mar gheall ar dhiongbháilteacht Shinn Féin le gearradh siar an Chomhrialtais a mhaolú agus le poist a chosaint.

I turn now to the draft Budget. It is important to recognise that as a result of the Budget review group and the determination of Sinn Féin to mitigate the British Tory cuts, the Executive identified an additional £1.6 billion revenue over the Budget period. Half of that has yet to be deployed in the Budget figures. I will be arguing strongly that some of that be added to the education budget to protect key front line services and to protect jobs.

The proposals that I set out last week highlighted the scale of the challenge facing us. On the resource front, there is a gap of almost £140 million in year 1, which increases steadily to over £300 million in year 4. In the context of a baseline of £1.9 billion, largely supporting staff from teachers to caretakers and from classroom assistants to detached youth workers, that is daunting, particularly with almost 50% of it to be tackled in year 1, due to the cash profile agreed by the Executive.

We have seen real progress on capital in recent years. Fifty major projects have been completed, six are on site, and the aim is that a further 13 will be on site this year. Furthermore, the 13 projects announced in August 2010, plus additional site purchase, represent an additional capital investment of £7.8 million in-year.

Provision has been made for the completion of those projects. The allocation in the draft Budget falls short of the level needed to maintain that momentum and to progress the investment delivery fund. Compared with ISNI II, my Department will have £738 million less to invest over the next four years. That is bound to mean delay and disappointment for many schools, children, parents and local communities. I share that disappointment and will hope to enhance the capital provision, but I accept that aspirations for newbuilds have to be reined back significantly, unless we are successful in gaining more resources.

Ó ceapadh mar Aire mé, thug mé aird rialta ar airgead barrachais na scoileanna, a bhí tugtha ar aghaidh faoi EYF, agus an tábhacht atá leis an airgead barrachais seo a chosaint.

Since I came into office, I have consistently flagged up the need to protect the schools' surpluses carried forward under end-year flexibility (EYF). I raised the issue with Peter Robinson and Nigel Dodds when they were Finance Ministers. In late October, with the spending review announcement, we learnt that the British Treasury had wiped out the stock of EYF owing to the block, including some £87 million owing to education. Of that, £56 million is due to schools. That is completely unacceptable. Since then, I have raised the issue twice in Executive meetings on the Budget, twice in bilaterals with the Finance Minister, and I have written to the Finance Minister pressing the case that the funding for schools needs to be restored. The Finance Minister and I will be meeting to deal with the issue.

I welcome the Finance Minister's acknowledgement that that can be resolved. I will be

working with him and Executive colleagues to achieve that. I know that I will have the Committee's support on that. I recognise that the issue is concerning many people in the schools system, so my Department wrote to schools today to set the record straight on where the issue sits.

I do not propose to focus on the detail of my proposal at this stage. I look forward to constructive dialogue. I will focus on what I regard as the fundamental issues that we need to understand.

Déanfaidh mé agus comhghleacaithe de chuid an pháirtí argóint i dtaca le maoiniú breise oideachais. Tá freagracht orm mar Aire, áfach, bheith soiléir agus oscailte agus le socruithe a dhéanamh, fiú más socruithe deacra iad. Is í an tosaíocht atá agam caighdeán a ardú.

My party and I will continue to argue for more education funding. I have, however, a responsibility as Minister to be clear and transparent and to take decisions, however difficult they might be. My priority is to continue to raise standards and to put equality at the heart of the education system.

I intend to bear down on management and administration, drive up efficiency and protect the front line and jobs as much as possible. It is the more regrettable that we have not yet established the education and skills authority (ESA) to provide savings, cohesion and leadership on the issues.

My proposals are clear and comprehensive. They aim to protect mainstream budgets in schools, youth, pre-school and early years. Furthermore, they aim to reduce the number of initiatives to allow schools to focus on what they do and know best.

Despite the difficult times, I have protected a number of important areas, which I am sure that the Committee will be pleased about. Those include special educational needs, extended schools, counselling services and youth services. I am also providing additional funds to enable the extension of the free school meal entitlement, because I am sure that the Committee will join me in understanding the importance of protecting our most vulnerable at these very difficult times. In the draft Budget, I have also provided additional funds for the early years strategy and pre-school provision. I know that that is one of the issues that my party and all the parties represented in the Committee take seriously. We have had the debates in the Assembly, and there is cross-party consensus on that matter.

Mar a léirigh mé, beidh mé ag obair ar mhaithe leis an dréachtbhuiséad a fheabhsú agus an éifeacht a bheadh aige ar sheirbhísí tús líne agus ar mhéid na bpost a chaillfear a íoslaghdú.

As I have indicated, I will be working to improve the draft Budget and to minimise the impact on front line services and jobs. I will do everything that I can to protect jobs.

At the heart of this, I have been concerned at the scale of the challenge in year 1, with the need to generate savings from 1 April 2011. The scale of the savings — £140 million — combined with the robbery of our EYF funding, which schools will look to fall back on in a difficult year, have forced me to conclude that this is simply not achievable on such a short timescale without serious risk to the school system. As a result, and as provided for in the Executive's Budget decision, I will be asking the Executive to allow me to reclassify £41 million from capital to revenue in 2011-2013 to provide a buffer in the next year.

I will not pretend that that was not a painful decision. I have lobbied hard for funds to build new schools that are fit for the future. I have demonstrated my capacity and that of the Department to turn funds into bricks and mortar and modern exciting facilities that inspire and

support learning. I have moved our Department from having major underspends prior to my coming into post to spending 99.9% of our capital budget. We must continue to invest in our schools estate. I want to continue that; we need to continue that. However, we must protect the fabric of what we have before we add to it. For one year, at least, I believe it necessary to make that switch to allow us to plan sensibly for a long-term savings programme.

I look forward to constructive dialogue and, in particular, to the thoughts of the Committee on how we might mitigate some of the more painful measures that we face and how we should continue to protect the front line, the vulnerable and jobs in our education system. I plan to engage with education stakeholders to build a consensus on how we can move forward, despite the challenges that we face. Go raibh maith agat.

The Chairperson:

Thank you, Minister. I do not think that any of us underestimates the challenge that the Budget presents. However, I think that your comments about protecting front line services will ring hollow with many across the education sector when they see the magnitude of what you are proposing. I want to raise two issues. I welcome the fact that, belatedly, you have written to all involved on the issue of EYF. To say that there is a tsunami of concern out there would be an understatement. This is not the first time during your tenure as Minister that there has been an issue around EYF.

You may recall that, in 2007 — I assume at your instruction — the then permanent secretary wrote to all principals because the then Labour Government had made some changes to EYF. I can provide you with a copy of that correspondence. At that stage, it was clear from that correspondence that the Department was willing to work with the Education and Library Boards (ELBs) and all involved to resolve the problem. That problem has been around, and you have confirmed that you have been aware of it, because you have raised it on a number of occasions, including in correspondence with the Committee. Why, then, weeks later, have you only today

written to the ELBs, and I assume to the CCMS and others, about the issue? Why has it taken so long?

I have been contacted by numerous schools. I want you to clarify one point in your Budget statement, which says:

“The British Treasury has abolished the existing End Year Flexibility (EYF) scheme from the end of 2010-11, including all accumulated stocks”

— this is the point that I want you to clarify —

“though EYF commitments in the current year would be honoured.”

Will those commitments be honoured by the Treasury or by the Department of Education? No one has been able to get a satisfactory answer to that element of your Budget statement. Will you clarify that for us? It is a very serious issue. You have said that the commitments amount to £56 million, but the figures that we have from the Department — perhaps you were referring to a different period — show that they amount to £87.2 million until 31 March 2008.

The Minister of Education:

Thank you for your comments about that. We are absolutely on the same page on the need for clarity. Indeed, the reason why I mentioned the discussions with and representations that I made to three Finance Ministers on EYF was precisely because I understood the importance of EYF for schools. Thankfully, with your party colleague Peter Robinson, we made special provision for schools under EYF. Schools had very flexible arrangements, and I welcome that. As the Committee knows, the school year is different from the financial year.

We need absolute clarity, and members will have seen the lack of clarity provided. We had statements from the NIO, which did not add anything to the debate and left people feeling very confused about the issue. There was some speculation that the Minister of Finance and Personnel knew about the issue in June while the rest came to know about it in October. Thankfully, the

Finance Minister clarified that last night; he said that he did not know about it in June and that he had been speaking about other money. Perhaps you did not see the interview, Chairperson, but he said that it is very important that the Executive find resources for that, and I welcome and acknowledge that. I met the Finance Minister briefly on my way here and we agreed that we needed to meet to discuss this very important issue. I will ensure that schools get what is rightfully theirs.

You are quite right about the figures: £87 million of EYF is owed to education. Of that, £56 million is owed to schools and the remainder is owed to education and library boards.

The Chairperson:

Right, OK. I take on board the issues about which you have spoken to others. However, you are the Minister of Education. Can you clarify for me what is meant in your statement — not Peter Robinson's, Sammy Wilson's or anyone else's — where it says:

“commitments in the current year would be honoured.”

Who is going to honour those commitments? Is it you as the Minister? That is all that people want to know. I know of a school that is making decisions today for next year. It has a £40,000 surplus and is planning to have an additional teacher and classroom assistant because of the increase in the number of pupils. That school does not know what to do because that money may not be there; it may be taken away.

There are huge problems. I suspect that you are well aware of those problems. Can John or somebody clarify for us what is meant by:

“commitments in the current year would be honoured”?

Is that a definite “will be”? Is it a guarantee? We want clarity. You have said that there has been confusion about what other people have said and that other people have raised concerns. Can you, as the Minister, tell the Committee what that means?

The Minister of Education:

I am telling the Committee that this is an absolute priority for me as Education Minister and, going by the brief discussion that I had with the Finance Minister on the way here, for the Finance Minister and for the Executive. Members will be aware that the issue does not affect only education. I can provide you with absolute clarity that I will fight the case for education, and I will continue to fight the case, despite the different messages coming from various Departments and the NIO. We are on the same page on this.

I agree with the Chairperson and, I am sure, other members of the Committee, that it is essential that schools get the money that is rightfully theirs. Members know the difficulty in the education budget, and I will be making very strenuous representation to the Executive. There are unallocated moneys, and I will be making strong representation not only in relation to EYF, but on other areas of the Budget. There is a recognition that the education budget has suffered in this Budget, and it is important that we get some of the unallocated money. I very much look forward to the support of the Committee when I am making those representations.

The Chairperson:

Minister, with respect, you have not answered the question. In your statement, you said:

“commitments in the current year would be honoured”.

We want to know whether that is a guarantee. Who will honour the commitments? We are not talking about something that is aspirational. Hundreds of schools do not know what is happening. It would be nice for the Committee to have a copy of the letter that was sent to schools, so that it knows what has been said. Does the letter that has been sent out today clarify the statement in the Budget for £3.7 million under the title of end-year flexibility?

The Minister of Education:

As the Chairperson is aware, the Department of Finance and Personnel carries out the negotiations with the Treasury. I made things absolutely clear to the Executive at the earliest

opportunity. I did so on 22 October at the first Executive meeting after the issue was brought to my attention. As the Committee will be aware, the Treasury is bringing forward new plans in relation to EYF. *[Interruption.]* If I could finish, Chairperson. We have discussions to have with the Treasury, and we have discussions to have as an Executive, but we have to make it absolutely clear that the Committee and the Department need to support each other in representations to the Finance Minister and Executive colleagues.

I will certainly make available to the Committee the letter that was sent to schools.

The Chairperson:

Thank you.

The Minister of Education:

In fact, I can read it into the record now, if that is what the Committee would like me to do. I have the letter in front of me. It was sent out this morning, and information was put on our website on Thursday. This is a work in progress, as the Chairperson knows. We need to be careful that there is no scaremongering or playing games with issues. I am not suggesting for one minute that the Chairperson would do that, but it is important that we have certainty and that all of the Ministers involved in this issue accept their responsibility in bringing it forward.

The Chairperson:

Minister, you can read the letter; I think that that would be useful. However, Minister, you did not answer the question in relation to the current year. Your reference to a new system is for 2011-12; that is coming down the track at us. You have not answered the question. I do not want to labour the point, because it looks as though I am not going to get an answer. If you want to read the letter, you can do that. I want to bring in other members. I want to raise another issue with you. If EYF is bad, the second issue that I am going to raise is even worse. You can read

the letter, and make it available so that members can have a copy of it.

The Minister of Education:

As the Chairperson will know, a letter was sent from the chief secretary to the First Minister and deputy First Minister. It said:

“We have decided that the existing EYF system will be abolished at the end of 2010-11, including all accumulated stocks. Existing EYF drawdown commitments in the current year will be honoured.”

Having said all that, it is very important that we argue vociferously, as an Executive, for end-year flexibility, because members know how frustrating it is for all of us on the Executive now that a Tory Government has come in and robbed £360 million off the books of various Departments. It is absolutely unacceptable, and I, along with my Executive colleagues, will be making representations on that.

The Chairperson:

It would be worse if we did not have the British Exchequer to pay for all the services in Northern Ireland.

The Minister of Education:

That is a matter of opinion.

The Chairperson:

Let us move on. You have made your allocations in the aggregated schools budget. I understand, in part, your rationale for reclassifying £40 million of capital into resource, which would raise the deficit from £26 million to £66 million, or thereabouts. However, if you look at the figures for the aggregated budget in your draft proposals, you, as the Minister of Education, are proposing to take out £85 million in year 2, £114 million in year 3 and £179 million in year 4. That equates to 45%, 49% and 58% of the total reductions. How do you marry those proposals with your

comments that it is a key priority to protect front line services?

In previous correspondence, when we asked for a breakdown or definition of the aggregated schools budget, your departmental officials described that budget as:

“core front-line funding to schools”.

Here is core front line funding, and you are proposing, on your watch — this has nothing to do with blaming the Treasury, or anybody else — to take out £85 million, £114 million and £179 million. The figures do not add up with the rhetoric of protecting front line services. This will cost schools and jobs.

The Minister of Education:

First of all, members will be aware that the Budget is very tough for education. You cannot take £4 billion from the block grant and the levels suggested from education without services suffering. That is why we are doing everything that we can to ensure that education gets further moneys. As members know, a further £800 million is yet to be allocated. As the Minister of Education, I will be laying claim to some of that money, and I hope that the Committee joins me in supporting further funding for education. It is accepted that education has suffered disproportionately. I cannot allow that to continue, and I am sure that the Committee does not want that to happen either, so I hope that you will support me.

You are absolutely right. You cannot take such levels out. If you look at years 1 and 2, you will see that I have done everything that I can to protect the aggregated schools budget, because I want to protect the classroom, front line services and jobs. Now is the time for us to protect jobs, which is why I aim to reclassify £41 million — not £40 million — as current expenditure. I do not want the classroom to be affected. We have to minimise the effect on the classroom.

We need to ensure that in year 1, year 2, year 3 and year 4, money is made available to education so that the forecast level of reductions to the aggregated schools budget is not realised. I am dealing with a draft Budget that was agreed by the Executive, but on the clear basis that I am looking for further resources.

The Chairperson:

You are living in a fool's paradise if you believe that you will somehow get more money from the very place where you have already been told that there will be a reduction in the amount of money, namely end-year flexibility. However, I hope that you do a better job than you did when you negotiated with the Finance Minister during the Budget process. Some of us take the view that, because of your failure to engage with the Finance Minister and give him all the relevant information, you have ended up with a bad deal, and you only got that bad deal because you did not play a very good hand.

Mr O'Dowd:

Thank you, Minister, for your presentation. All interested bodies and observers have recognised that education has a very difficult budget to deal with. We could spend the rest of the afternoon debating the Chairperson's analysis of how we arrived at that budget allocation. However, it would be more useful to look at how we can secure further funding for education. You said during your presentation and on a number of occasions that there are additional outstanding moneys in the Executive in the region of £800 million. The Executive identified £1.6 billion. How will we go about lobbying to secure funding for education? How will the Department of Education go about that battle?

The Minister of Education:

Thanks for that question; it is very useful. We are undoubtedly in very difficult times and, in difficult times, we have to maximise the funding to our education system, our health system and our communities so that we mitigate the difficulties. I have a lobbying role in the Executive, and, as I have done to date, I will play that role fully. I have made clear at every Executive meeting

pre-Budget and post-Budget that I believe that more of those unallocated resources should go to education. I think that there is a view in the Executive that education has suffered disproportionately, particularly in year 1, year 3 and year 4. I welcome that acknowledgement because it is important that we get more funding in. Therefore, the Committee can be assured that I will lobby in the Executive. One of the reasons that I asked to come here today is because I believe that it is very important that all the parties represented in this Committee lobby the Finance Minister and the various Ministers in the Executive.

The first challenge is to spend that unallocated money wisely. Everybody will have different opinions on how we should spend and what we should spend money on. However, I very much welcome alternatives from this Committee. What does this Committee want to be protected? Does it want jobs to be protected? Does it believe that capital should be reclassified, given the level of reductions that we may have to make? Does it think that it is better to keep money going into the front line? Will this Committee support me when I make further bids for that unallocated money? This Committee — indeed, all Committees — have a very important role to play, and I look forward to working with the Committee on that.

Mr Lunn:

Some of us may well think that the £41 million could be better used in capital because of the knock-on effect of spending that money, and we may think that capital is being cut to the bone too much. However, that is not what I want to ask you about.

The Minister of Education:

I would welcome a debate on that. We have £127 million in capital for next year, and we will continue with the schools that have been approved. It is not that there will be no new schools, but we will have to slow that process down. However, I welcome the debate, and I respect that there are different opinions. Given the very difficult Budget, I have tried to protect jobs. We could have lovely new buildings, but there will be no teachers in them if we cannot protect the jobs.

Therefore, I am trying to protect jobs for classroom assistants, caretakers, maintenance workers and all the people who work in our schools and deliver education. However, I respect other opinions on that subject.

Mr Lunn:

No one will argue with the aspiration to protect jobs. However, in a budget where so much of the expenditure is on staff costs and, given the cuts that you now have to look at, I am not quite sure how you can protect jobs. I cannot help thinking that we will be having the same discussion in 12 months' time, when that £41 million will have been used up and there will have been no advance in the debate.

I want to ask about one of the smaller items, although it adds up to £17 million, namely the question of teacher substitution costs. The Public Accounts Committee (PAC) looked at that. You have drawn on figures from that Committee's report, and they are included at paragraph 5.20 of your paper. That is not the only item in the document that I am not sure is realisable. I will put it another way: do you have the power and authority to carry it through?

When the PAC looked at that, the argument was made that you could not, under present rules, persuade headmasters to do what we would like them to do. That is to, first, move to a flat rate for substitution, which would help to make the differences that you mentioned, and, secondly, to use newly qualified teachers rather than teachers who have — if I remember correctly — retired only 29 days before. We have a ludicrous situation where headmasters have the facility under the local management of schools to, frankly, bring back their friends and cronies. In some situations, that may well be worthwhile from the point of view of experience. However, I cannot help thinking that there is a saving to be made there if the Department and the Minister can enforce that. It is a bit like the ESA on a smaller scale. It is very commendable and praiseworthy, but can it be done?

The Minister of Education:

The member makes some very valid points about newly qualified teachers, and I am absolutely on the same page as him. It is not right that principals employ retired teachers at the expense of newly qualified teachers. I am not even sure that the experience argument stands up, because, as members know, many of our young teachers are trained on our revised curriculum, whereas some of our older teachers are not. Therefore, we need a mix of experience and newly qualified teachers. It is not acceptable that our newly qualified teachers do not get opportunities, and the member knows that I have written to all schools and to the managing authorities and have exhorted them to employ newly qualified teachers.

I have read the PAC report. The amount of money involved is very worrying. The cost of substitute cover for teachers because of absence due to illness was £7.8 million in 2009-2010. That is an average of 7.55 days per teacher. The Department has set a target of a six-day average for teacher sickness absence. We have put in place a range of measures to support teachers in order to reduce that figure. If that six-day average is achieved by March 2011, the cost will have fallen to £6.2 million. A further reduction to five days by March 2015 will result in the annual cost being reduced to £5.2 million.

The member mentioned the introduction of a flat rate for substitution cover for prematurely retired teachers. Savings are based on paying a flat rate of pay to prematurely retired teachers when they are re-employed as substitute teachers. The flat rate is equivalent to 0.1% of the teacher's main scale. As the Committee knows, prematurely retired teachers are in receipt of pension benefits and have received compensation packages, including an additional service credit for the added years. That is based on the assumption that they will no longer work as teachers. Therefore, the Department is very interested in savings resulting from the introduction of a flat rate.

Mr Lunn:

That is fine, Minister, but your paper said that that "will be explored" and that the savings:

“have been identified on the assumption that changes could be delivered”.

However, you cannot deliver the changes without the authority. It worries me sometimes — I am probably on your side on this — that the Department does not have the authority to run some aspects of the education system, and this is a good example of that.

The Minister of Education:

You can be sure that this is an area that we have studied in detail. We will be acting on the recommendations in the PAC report. We cannot allow the situation to continue where young teachers are not given opportunities and where teachers who got retirement packages are taking the place of newly qualified teachers. My Department and I will be doing everything that we can to deal with this issue. It is one of the areas for which we have planned a reduction in our draft budget, because it is right that we do everything that we can to reduce it.

Mr Lunn:

Will you be seeking to change the existing education Orders to give the Department the authority to stop that practice?

The Minister of Education:

I am sure that members around this table understand the importance of that. Parties in the Executive understand the importance of the Department making sure that newly qualified teachers have opportunities.

The Chairperson:

Members, because, unfortunately, the Minister only gave us one hour, I ask you to keep your questions succinct, to give everybody a chance to get in. Obviously, it would be helpful if the Minister could also keep her responses succinct.

Mr Hilditch:

I was going to ask about the reclassification, but I think that we have covered that and there will be a greater debate on it.

On the draft allocations, if the reclassification goes ahead, that leaves some £86.4 million, with £56 million of that committed expenditure. That will reduce the capital budget to £30 million, which may only cover essential capital works to meet statutory requirements. Even the extension of the free school meals entitlement has more allocated against it, if what we have been told in recent weeks is to be believed. Are we leaving ourselves short?

The Minister of Education:

In relation to the comment made by the Chairperson that I only gave the Committee one hour, the Chairperson will be aware, and it is only fair that the rest of the Committee are aware, that you only had one hour available. I was willing to come here tomorrow but it did not suit. I just want to put that on the record.

The Chairperson:

Minister, just hold on —

The Minister of Education:

I am happy, at any point —

The Chairperson:

Minister, I cannot have this continual attempt by you to score points. There was a discussion between the secretariat of this Committee and your office, and it was made abundantly clear that you are not available for the rest of the week. You were also made aware that the reason why we could not reschedule for tomorrow was because of commitments that we had made to schools.

We were told that we only had an hour. We wanted to facilitate members and have the meeting from 3.00 pm. You said no, because you had to be away for another engagement for 4.15pm. It was then changed to 2.30 pm. Do not try to tell this Committee that you were more available or that I was less accommodating. I will stay here for whatever time I need to, but I was told that you were only staying here until 3.30 pm. If you want to stay longer, that is fine, and members can take longer; no problem.

The Minister of Education:

I think that we should continue with building a constructive relationship with this Committee.

The Chairperson:

Well then do not make the comments that you made.

The Minister of Education:

On your question about the reclassification of capital, I explained to you why I made that decision. Do I want more money for capital? Of course I want more money for capital. Will I be arguing for more money for capital and resource and EYF? Of course I will be. I spoke about the unallocated money; I will not rehearse those arguments. I will certainly be making representation for further resources. Again, faced with choices, particularly given the front-loading in year 1, it would have been irresponsible of me to do anything else. However, in answer to your question about whether the capital budget is very tight, I would say yes, it is very tight. Obviously, I would like it if we could have more resources. We have £127 million in the capital budget. I am requesting the reclassification of £41 million.

The Chairperson:

I want to clarify a point on the issue of capital. In your proposals, under resource allocation, you talk about the 13 schools that were announced. There was obviously a reclassification in that

process, because schools that were partially compliant all of a sudden became compliant. On page 22 of your proposals, you say:

“the 13 schools announced in August will go ahead subject to the necessary approvals.”

That is slightly different to what it says on page 13, that in-year provision has been made to complete the projects. Which one is it, Minister? Are they subject to necessary approvals, or will they be completed through in-year provision? Will the provision of the money for the 13 capital projects be closed down, or is there a possibility that some will lose the allocation because they are not as far down the road as we thought they were?

The Minister of Education:

As the Chairperson will be aware, I fought hard last August to get resources to build further schools. It was a good news story in the education community, and, indeed, in the community as a whole, that we had 13 new schools as part of in-year monitoring. I was at the sod cutting in Taughmonagh recently, and there are other schools right across all the different sectors and right across the North. I am sure that the Committee welcomes that. Obviously, any schools that go ahead have to have the necessary approvals, whether those are planning approvals, approvals of economic appraisals from the Department of Finance and Personnel or whatever. I have made provision for money, this year and next year, for those schools to be finished, but that is obviously pending the approvals.

The Chairperson:

So, they were only partially compliant and not fully compliant.

The Minister of Education:

No, they are compliant.

The Chairperson:

Either they have approval or they do not.

The Minister of Education:

The Chairperson will be aware that when a school goes out to tender, there may be challenges to that tender that cause delays. We should not be so naive as to think that things will not crop up in relation to schools. People here understand the importance of the 13 new schools and the new site purchase that are going ahead because of money for which I fought very hard. The Committee was among those who said that we need to build more schools, and I took that very seriously. I argued for more money, got more money, and I will continue to do that.

Mr B McCrea:

Minister, what is the Department's estimate, at this stage, of the savings to be generated from reducing posts over the next four years?

The Minister of Education:

As Basil will be aware, we have £10 million from invest to save so that we can look at voluntary redundancies. A further £25 million of the £100 million invest to save budget is unallocated. You know that we are over-administered and have too many organisations. If we are to realise convergence and continue to —

Mr B McCrea:

I accept those points, but will you address the point about the savings to be generated from reducing the posts? Obviously, that affects the figures in table 2, which shows the gap. What savings will the redundancies deliver?

The Minister of Education:

First of all, the ESA is a major project that I will continue to carry forward. The ESA is the single biggest way of reducing unnecessary spend on administration.

Mr B McCrea:

I understand that, but —

The Minister of Education:

I am coming to your point. There is also a duplication of staff costs. We have nine organisations that administer education and, therefore, nine chief executives and finance managers etc, who are all paid salaries. The more convergence we can bring about, the more we can save.

Mr B McCrea:

I understand your argument. You have asked for our help, and we are keen to help and understand. However, I need to know what savings will be made. As you have indicated, I suspect that the £10 million already there will not be sufficient and that you will need to look for more money to help with redundancies. To make the argument to other colleagues, we need to know from the Budget figures how much savings will be brought about from redundancies in each of the four years. I know that you might do other things, but, as it stands at the moment, what are those savings figures?

The Minister of Education:

The Budget is a work in progress. We plan to get further resources. There are a couple of areas in which we can get further resources. You are quite right: £10 million is very little. It is a significant amount of money, and I am glad to have it. However, a further £25 million in the invest to save fund is as yet unallocated, and I will certainly be looking for some of that money. More importantly, I will be doing everything that I can to protect jobs. I have reclassified capital to resource and have made sure that we make reductions in other areas in order to ensure that we protect jobs as far as possible.

Mr B McCrea:

I understand your argument, and that is fine. I know that you will not give up without a fight and

that you will go off and battle. I know that it would just be a baseline figure for now and that you may get more money, but it would help us if we knew the figures for the redundancies and savings set out in your paper for each of the four years. How much money will we save? Whether it is more or fewer jobs that are saved, it will have an effect, and we just need to know the quantum that we are dealing with. Could we have the figures for the four years?

The Minister of Education:

As you know, the ESA was designed to deliver £20 million per annum by reducing 500 posts. The ESA is really important to our education system and has never been more so.

The Chairperson:

To clarify, Basil, we are only £5 million short of the ESA target. If you look at page 17, you will see that the Minister has indicated that ALB's administration and management costs will lose £15 million across each of the four years, so we are only £5 million short.

Mr B McCrea:

I understand your argument, Minister, and I take on board that the ESA is an issue. However, I was hoping that you would be able to state how many redundancies are planned and what savings those redundancies are likely to deliver, because many people are worried about that. I absolutely understand that you plan to make a sterling defence. However, we need to be able to go off and say how many jobs may go because of the amount of savings that we need to make, and why we, therefore, need to find the money from somewhere else. I do not think that that will put you or your Department in a bad place. We just need to know the quantum so that we can go off and argue our case in other places. If you cannot share that with us now, you should do so at some stage.

The Minister of Education:

As you know, the Health Minister has been slated for giving rough estimates of job losses. My

aim is to protect jobs. I believe that it would be irresponsible of me to give wrong estimates. I am doing everything that I can to protect jobs in the education system. The ESA is the best way of bringing about the changes, savings and improvements in standards that are needed.

Mr B McCrea:

I have one last question. I understand that Ministers need to be careful about what they say for fear of scaring people. However, table 2 in your paper sets out the costs that are inescapable, the pressures and the gap. You must, therefore, already know the baseline for the number of redundancies that are being figured in to save a certain amount of money. This is not like holding a finger in the wind. There must be a budgeting line, and we would like to know that, so that we can try to help you to ameliorate the difficulties.

The Minister of Education:

What I am doing — perhaps I have not made this clear —

Mr B McCrea:

That may be my fault, but I am trying to help.

The Minister of Education:

I understand and accept that. I have put forward these proposals, such as the reclassification of capital and reductions in certain areas, which are not going to be easy for the education system, because I want to do everything that I can to protect jobs. We do not have costs on the number of jobs that will be lost, because I am doing everything that I can to protect jobs. This is a work in progress.

The Executive have given clear guidance to every single Minister to do everything that we can to protect jobs, and I take that very seriously. In a time where our economy is in difficulties and

we have less money than ever before, Ministers can go down the route of putting money into either buildings and computer infrastructure or jobs on the front line. I am very clear about the fact that I want to put money into jobs on the front line and to do everything that I can to mitigate job loss. However, I take the member's comments in the spirit that they were meant.

The Chairperson:

Obviously, we are not going to get an answer to that question either. That will be cold comfort to anybody who reads the aggregated school budget, because they will see that salaries are going to take a massive hit. As I have said before, that does not sit with the rhetoric. The facts before us tell us that there are serious problems. You know that there are serious problems, and, if we made a freedom of information request for the options that were presented to you, I suspect that we would see that an analysis has been done at some stage of the implications that this will have.

Let us dispense with the nonsense about the ESA being the wonderful thing that you claimed it would be. We see already from the figures that you are £5 million short of getting the savings for the ESA. The real problem that you have, Minister, is that you do not control education. We have a situation in which organisations are determining how many schools they have and how many schools they will amalgamate. That is the real problem and that affects teachers. You have used this nonsense about the ESA and boards as a distraction from the real issue. We are talking about schools. I am not interested at this time in the pros and cons of the ESA. We are talking about schools that are going to be affected and schools that are ultimately going to lose staff. That is what is worrying a huge number of people today and that is not being addressed.

Mr D Bradley:

Tá fáilte romhat, a Aire.

The Minister of Education:

Go raibh maith agat.

Mr D Bradley:

Níl aon amhras faoi go bhfuair tú droch-shocrú ó thaobh cúrsaí airgid i mbliana sa bhuiséad. Geallaim duit mo thacaíocht agus tacaíocht mo pháirtí chun breis airgid a aimsiú le haghaidh scoileanna sa tréimhse atá romhainn.

The Minister of Education:

Go raibh maith agat.

The Chairperson:

Will you interpret that please, Dominic? I am suspicious as to what you said.

Mr D Bradley:

No extra charge. *[Laughter.]*

The Chairperson:

That is all right.

Mr D Bradley:

I was welcoming the Minister, and I said that there is no doubt that education has got a very poor settlement. My party and I will be arguing strongly for additional funding for education, as we argued last year on the Floor of the House for the Minister of Finance and Personnel to obtain extra money for capital spend. We are on the record as having done that.

Minister, I welcome the fact that you have decided to inform schools about the end-year flexibility situation, because the message at the Committee last week was that it was not the

Department's intention to inform schools until much later. Schools have three-year development plans, and, in many cases, those are predicated on the availability of end-year flexibility moneys. Therefore, it is very important that schools are kept up to date on the situation.

You said that you spoke to the Finance Minister about this issue on the way here. Two days ago, the Finance Minister was asked about end-year flexibility moneys, particularly for education, because it seems that education has taken the biggest hit, although you can correct me if I am wrong. However, when asked about that, he said that the Minister of Education would have to replace that money by reprofiling the education budget. That seems to suggest that the Finance Minister either does not have the money to give you to replace that, or he expects you to replace it from within your existing budget.

The Minister of Education:

I welcome your opening comments. I appreciate support from various parties, because it is essential that we get more money. You are a teacher, and you know the importance of protecting front line jobs and getting money into the classroom.

I am aware of what the Finance Minister said on Sunday about EYF. He clarified that last night and recognised that he had made a mistake about the June timing and the moneys. He said last night that it was other moneys and that he had got mixed up in moneys.

I have the transcript of what he said, which I can make available to the Committee if members do not have a copy. He also said that he accepts that there is an issue in relation to schools and that he understands the importance of end-year flexibility for schools. You are right to say that schools are disproportionately affected. Schools got special arrangements, which we argued for in 2008, because their financial year is different from their school year. However, I believe that, with the right approach taken by me, the Finance Minister and the Executive, this issue can be

resolved as it needs to be.

Mr D Bradley:

I sincerely hope that you are right, Minister. I expect that the Committee will be supportive of you in your efforts to ensure that that money remains available to schools.

I have one other question. Paragraphs 5.7 and 5.8 of your paper talk about the need to rationalise the schools estate, particularly in light of the current Budget allocation. Surely the rationalisation of the schools estate depends on capital funding being available, because, in many cases, it takes newbuilds to bring that process about; for example, if two older schools in an area are amalgamating. If the capital resource is not available, how can we proceed with the rationalisation of the schools estate?

The Minister of Education:

Obviously, it is better to have funding for capital when rationalising the schools estate. However, we have demographic decline and, year on year, fewer children in classrooms. However, the birth rate is growing, as is the preschool year, which our Department is managing. New capital build is not always needed to rationalise. It is very important that we use the resources that we have wisely. Some of the best amalgamations happened because there was a will on the part of various schools. Obviously, we want to put money into capital. However, a lot of the schools estate can still be rationalised without capital.

This is not a short-term project; it is a 10-year project. We need to look at how we use our money in our capital estate and at what sixth forms we need. I raised that issue with the Committee and in the Assembly on a number of occasions, and those are questions that society needs to ask. Should we have four French or art classes in one town, with all the cost that that takes? Should we have four or five young people in each class doing a two-year A-level course?

You and I would say that it is much better to have a greater number of young people in a class — 15 or 16 young people — working away at a course. That is one way to rationalise the schools estate.

You know the duplication that exists in areas such as Newry and Omagh, and the Department is looking at that. Frankly, that is something that we have to bear down on. This is a medium- to long-term project, but one that we have to set in motion now to start taking out some of the savings in year 2, year 3 and year 4.

The Chairperson:

Minister, that is in total contradiction to what is in the paper. There is no mention in the paper of 10 years. I will read to you what you, as the Minister, sent to this Committee. This is information which is, eventually, on the web; yours was the last Department to publish its proposals.

“That is why the capital to resource transfer is being proposed for Year 1.”

You are transferring £40 million —

The Minister of Education:

It is £41 million.

The Chairperson:

— into resource for one year and said that:

“This should provide sufficient time to put in place plans across the Education Sector to reshape the schools provision through rationalisation and restructuring so that the limited resources available are distributed over fewer, larger schools”.

Minister, do not come to this Committee and try to tell us on a piece of paper that one year of

hokery-pokery, taking £40 million out of one pot and putting into another, is going to give you enough time, when you have failed miserably for four years during your time as Minister to get consensus even to deal with the issues of governance, let alone the rationalisation of the schools estate.

Your adviser probably wrote on a piece of paper that it is 10 years. However, the paper that came from the Department says that one year will be, in your words: “sufficient time”. That does not add up, Minister.

The Minister of Education:

Chairperson, it does add up.

The Chairperson:

Your numeracy must be as bad as the length of time that we have been waiting on the policy.

The Minister of Education:

I suggest that it is your literacy, and that you look at the word “plans”. I do not know whether you would bring forward —

The Chairperson:

You have had four years, Minister, and you have not brought forward plans.

The Minister of Education:

If I could finish the point.

The Chairperson:

You had four years, and you did not do it. One year is not going to make any difference.

The Minister of Education:

With respect, you asked questions; if you would allow me the time to answer them. Let us have a good discussion, a Chathaoirligh.

The Chairperson:

It will be the first.

The Minister of Education:

These are plans. Of course we are bringing forward plans, and we have been rationalising the schools estate. We had some very small schools with very small numbers in them, and I closed those schools. I brought forward the sustainable schools policy and will continue to bring forward plans to rationalise our schools estate where necessary. We all know that, if schools get too small and they do not have children coming into P1 and P2, it is not good for a local community or school. Parents want certainty and clarity on that, and they also want well thought-out plans.

The Chairperson:

Minister, you agreed to amalgamations in some areas, one in my own constituency, where it is now costing the education and library board £500,000 every year and the school is still unsustainable because one organisation was not prepared to close the school. We will move on.

The Minister of Education:

With respect, there were some schools in areas where we brought in amalgamation and

transformations, where representation was made and, in hindsight, it would have been better if support had been given. Enough said. It is important that other people get their opportunity to speak.

The Chairperson:

I remind you, Minister, that I am in the chair, and you are the Minister.

The Minister of Education:

Absolutely; I know that, Chairman.

Mr Craig:

Minister, I have to be honest, you have made a number of statements today that have set off alarm bells. First, when you were answering the Chairperson earlier you said that many schools will be forced to fall back on EYF to take up the shortfall. You said that when you were talking about the aggregated schools budget being cut. I am not being sarcastic or funny, but I sit on a number of boards of governors and finance committees, and I think that you will find that EYF is used to mitigate redundancies in schools. It is already being used to stop redundancies happening and stretch things out so that natural wastage takes care of a lot of the issues.

If EYF disappears there will be redundancies this year, never mind next year. If EYF is being used for that already, how can the schools use it to make up a shortfall in the budget? In the first year that figure of 18% has not been challenged, so there will be a major issue there and there will be redundancies. It is important for the administration to have allowed for that, because there will probably be a lot more redundancies than the Department thinks.

The other statement that you made was that, when it comes to a choice between jobs or

computers, computers go. I have carefully noted that your home-to-school transport budget is cut, the ICT is cut, professional support is cut and arm's-length bodies' costs are cut. All of those will have major impacts on how education is delivered in schools. How are we getting the kids to school and, if the computers are not there, how are the teachers going to educate them on subjects such as ICT? I know that it is important to keep jobs, but can we keep jobs when there are no tools for teachers to use?

The Minister of Education:

First, I have to leave after I answer this question, because I have another appointment. I agreed to give the Committee one hour, which we have now gone over, but I would like to answer the question. First, the plans are draft plans and, as I said, I expect that education will get further resources. Once we do that — hopefully, with the support of the Committee and others — we can look at how we put money back into some of those areas.

Secondly, I believe that I have clearly answered the question on the issue of EYF. I accept that schools deserve to have that money. I will be meeting the Finance Minister in relation to that matter, and I will be discussing it at the Executive. I will continue to do that, and schools can be absolutely sure that I will do everything in my power — as I have no doubt the Executive will — to ensure that they have the resource and money that is theirs by right.

In relation to jobs and computers, we will continue to invest. We have poured money into ICT in our classrooms. All our schools have some of the most modern, up-to-date equipment and servicing of that equipment. I am not proposing, and I have never proposed, that we cut computers in our schools totally, but we can spend less money on them. We can procure in a much more effective, beneficial way. I have to do everything that I can to protect jobs, but I am not saying for one minute that we should take computers out of schools or not give schools new computers. The question that I am faced with is: if we do not have money for teachers or classroom assistants, and, in the past, we were spending £50 million and more on computers each

year, where should we take money out? I believe that we can reduce the cost of ICT by £60 million over the Budget period. That is the target that I have set. I have asked officials in the Department and C2k to speed up the procurement arrangements in relation to that. It is not either/or, but if we have to choose between jobs and pouring money into computers, I will protect jobs.

Mr Craig:

Sorry, there was one point that you missed. What do you honestly think the impact will be of taking £20 million out of the home-to-school transport budget?

The Minister of Education:

Most people will have been surprised that we did not take more money out of the home-to-school transport budget, particularly when you consider the media speculation prior to the draft Budget. The transport budget will be reduced by £5 million, which is a 7% reduction. However, this budget is a draft document. We will have discussions with key stakeholders, and we are in the process of setting up meetings with them.

This society has to ask itself whether we should continue to spend £75 million for children and young people to spend more than two hours a day on buses when they are bypassing local schools. I brought forward transfer 2010 and transfer 2011, and I will continue with those changes. I do not believe that young people spending so much time on buses, bypassing local schools, is a good use of their time or a good use of money. There are major discussions for this society to have, and that is one of them.

I could have suggested that we take much more money out of the transport budget. Indeed, many people will have expected me to have done so, given the policies that we have in place. However, I did not do that because I know the importance of transport to parents. I know that it

takes time to build in new arrangements, and that is why I did not do that. It will be difficult for us to reduce transport by £5 million, but I think that you will agree, and any logical person looking at this issue will agree, that it could have been much worse.

I thank the Chairperson profusely for the constructive engagement that we have had today, and I thank all the members of the Committee.

The Chairperson:

Before you go, may I ask you two things? First, will you allow your officials to give Committee staff a copy of the letter that was sent out?

The Minister of Education:

Certainly.

The Chairperson:

Secondly, we have a savings plan, but we do not have a spending plan. When will the Committee see your spending plan? That is where the detail will be. There is a broad brush stroke in the savings plan, but when will we see the spending plan?

The Minister of Education:

As you know, we have been working on many different aspects of this budget, and you will be the first to get those plans.

The Chairperson:

That will be a change, but I asked you when we will see them, not if.

The Minister of Education:

We will provide that information as soon as possible, but I welcome alternative proposals.

The Chairperson:

Let me make it clear that you will get alternatives only when we have the information on what you are going to spend. We are not going to pluck figures out of the air as you have done and use words such as “we hope”, “we desire” or “it would be our intention”. If we say it, we will base it on facts and figures. We will not base it on some hypothesis, as some of this is based on. Thank you, Minister.

The Minister of Education:

Go raibh maith agat.