



Northern Ireland
Assembly
Committee for Education

Dr Steve Aiken OBE MLA
Chairperson
Committee for Finance

18 February 2022

Our Ref: 2022.52

Dear Steve

Draft Budget 2022-2025

Thank you for your correspondence of 16 December 2021 seeking the Committees views on the proposed budget from their Departments and arm's-length bodies.

The Committee for Education wrote to the Finance Minister following its meeting on 17 December 2021 to clarify Finance proposals to support the Department of Health via 2% efficiencies in each of the other Executive Departments. The Finance Minister responded indicating his view that it was not the case that the draft Budget proposed a 2% real terms reduction in the Department of Education's budget and that the Education Minister has full discretion as to how her Department's funding will be prioritised.

The Committee for Education considered correspondence from the Committee for Finance at its meeting on 12 January 2022 seeking its findings and recommendations in respect of the draft Budget for 2022-25. The Committee was briefed by the Department of Education on January Monitoring and the 2022-25 Budget at its meeting on 19 January and following this wrote to stakeholders seeking their views on the draft Education budget for 2022-25.

Responses were received from the Controlled Schools' Support Council (CSSC), the Council for Catholic Maintained Schools (CCMS), NASUWT and the Education Authority.

When briefing the Committee at its meeting on 19 January 2022, the Department of Education indicated that while it welcomed the additional funding allocations in the draft Budget, it was concerned that the proposed additional funding allocation was wholly insufficient to address the significant pressures that face the education sector and that even after the additional proposed allocations, DE requires £195 million, £240 million and £300 million respectively for the next three years.

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Room 205, Parliament Buildings, Ballymiscaw, Stormont, Belfast, BT4 3XX

Tel: (028) 9052 1821

E-mail: committee.education@niassembly.gov.uk



Officials also emphasised that the education sector faces unavoidable significant cost pressures and rising service demands associated with delivering statutory and policy obligations and that without substantial additional funding, the budget position for the Department would continue to be extremely challenging. They suggested that stringent financial management would be required, and extremely difficult decisions need to be taken in order to live within budget next year and beyond.

They also stated that without additional funding, it would be extremely difficult, if not impossible, for the Department to take forward key actions, such as education actions that are contained in the Northern Ireland COVID recovery plan; the implementation of the Special Educational Needs and Disability Act (Northern Ireland) 2016; the continued implementation of the Fair Start action plan arising from the expert panel on educational underachievement; future teachers' pay settlements; and any recommendations that come from the independent review of education.

Committee members discussed with officials the challenges regarding SEN provision, the childcare sector, teachers' pay and increased energy costs for schools.

Members also raised concerns about the proposed 2% reduction to the Education Budget and were surprised that no modelling had yet been carried out by the Department on the impact of this.

The Controlled Schools' Support Council (CSSC) responded indicating that inadequacies of the present funding environment have resulted in many schools being unable to operate effectively, with many operating in deficit. They stated that as the school year (running from September to August) operates across two financial years (April to August, and September to March), the earlier the totality of the delegated budget can be confirmed as being available, the more certainty a school has around planning its provision. Similarly, while the in-year monitoring processes provide a way to secure additional funds, if that funding is not available to the school at the commencement of the year, it is less able to use those monies where they are received later in the year. CSSC also noted concerns about funding for Special Educational Needs and lack of maintenance of the school estate leading to larger scale demands on the Capital and Minor Works programmes.

The Council for Catholic Maintained Schools (CCMS) also raised concerns about the present funding arrangements for schools' delegated budget suggesting that the total amount of money awarded to Education was not going to support schools to deliver at the same level due to many factors including:

- The structure of the education system, including a number of systemic matters that needed to be addressed;

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- Significant and on-going reductions in the spending power of DE budgets (which have declined by well over £200 million in the last 10 years);
- A failure to secure sufficient additional funding in year; and
- Over 90% of services being driven by statutory or policy requirements.

CCMS suggests that to make a difference there will need to be a 'whole of Government' approach; a major re-alignment of budget allocations and reporting; in-depth analysis of relevant data to identify baseline positions; a tracking of progress through much tighter service alignment through embracing outcomes; adherence to a duty of collaboration in their progressing; and an honest analysis by politicians and policy makers of the current position. It states that if the present financial climate continues within schools then good, best and better practice will be impossible to maintain, and pupil provision and staff health and well-being will be adversely impacted. It points to a comparison of spending per pupil over time across the four UK nations, carried out by the Institute of Fiscal Studies, which noted that school spending per pupil is consistently highest in Scotland and generally lower in Northern Ireland. It reported that in 2021–22, spending per pupil is expected to total £7,600 per pupil in Scotland (including COVID-related spending) and £6,400 in Northern Ireland, with spending per pupil expected to total about £6,700 in England and £6,600 in Wales.

CCMS indicates a need for school funding to be allocated on a planned basis, perhaps three or five yearly, to reflect the actual costs of education a child throughout his/her lifetime at school; and that the school financial year should be brought in line with the academic year, to allow for consistent planning of resource allocation.

The Education Authority indicates that schools' financial positions have been steadily worsening over recent years and that approximately 49% of schools were projecting a deficit at the beginning of the 2021/22 year with projections showing that 39% of schools would report a worsening financial position at year end. It also referred to a significant backlog of maintenance work required to bring the fabric of the school estate up to a necessary standard with the cost of addressing this backlog being in the region of £500m. The Education Authority indicated that additional funding would be required to support Special Educational Needs Services and that current levels of educational delivery already rely heavily on successful in-year monitoring bids in order to meet the cost of the educational needs of children and young people.

NASUWT believes that under current proposals the Department of Education and its arm's length bodies won't be able to deliver on their statutory functions. NASUWT contends that should a 2% cut be applied to education, services to the most vulnerable in communities will be most likely to suffer. It signals that if

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budgets are not sufficient to keep teachers pay in line with cost of living increases, there will not be enough teachers in future as qualified teachers move to higher paying education systems; and warns that if teachers' pay continues to fall in real terms, there will be a return to industrial action in Northern Ireland schools.

Coupled with this picture of underinvestment in education, the Committee has heard from the Fair Start Panel and the Independent Review Panel and discussed their informed considerations. The Committee is concerned by reports from Pivotal pointing to excellent reviews but poor implementation and the Public Accounts Committee flagging a lack of improvement in breaking the link between socio-economic status and underachievement in education. The Committee is committed to furthering equal access to education.

The Committee wishes to hear from the Fiscal Council in respect of the Education Budget and has also commissioned some research on trends to highlight in its legacy report but of course recent developments have created significant uncertainty.

I do hope this is helpful input to your scrutiny exercise of all Departments. If you require further clarification or explanation, please do not hesitate to have the Clerk of your Committee contact the Clerk to the Committee for Education.

Yours sincerely

Chris Lyttle

Chris Lyttle MLA
Chairperson
Committee for Education

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