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NEWTOWNARDS  
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15<sup>th</sup> November 2012

The Committee Clerk  
Committee for Education  
Room 241  
Parliament Buildings  
Ballymiscaw  
Stormont  
BELFAST  
BT4 3XX

Dear Mr McCallion,

I am writing in response to the Education Committee's website invitation to comment on the Education Bill, presently with your Committee for scrutiny.

I am a parent, was for over a decade a Primary School Governor, and am currently employed in education.

I would like to make observations on 3 matters.

**1. Part 1, Clause 1 (1). There shall be a body corporate to be known as the Education and Skills Authority (referred to in this Act as "ESA").**

We live in a society which likes to take shortcuts; a favourite one, in both the public and private sector, being the use of acronyms. While as parents we would like our children, metaphorically if not physically, "to reach for the stars", it is unlikely that we would have any dealings with ESA, the European Space Agency. Families could however encounter simultaneously ESA, the Employment and Support Allowance and ESA, the Education and Skills Authority. Is a potential source of confusion for parents being created?

**2. Part 1, Clause 12 (1) and (2)**

Referring to the salaries of staff of Voluntary Grammar and Grant-Maintained Integrated Schools who will transfer from the employment of the relevant Board of Governors to the employment of the Education and Skills Authority, the sub-sections state that such schools "**may, in accordance with arrangements agreed with ESA, issue payment on behalf of ESA**".

This Education Bill is being progressed as part of the Review of Public Administration; ESA as the employing authority will be accountable to HM Revenue and Customs (HMRC) for reporting and paying over statutory deductions and will maintain a payroll system to do that. It therefore seems

unnecessary to create an intermediary step whereby the employees are paid by the school, instead of directly by ESA.

There will be savings to the education sector as a whole, in that those schools which previously received funding directly from the Department of Education had to maintain their own payroll systems, have relevant expertise within school and incur related costs such as the purchase, licensing and periodic upgrade of payroll software.

It should be noted that in April 2013, reporting demands will become more onerous when, what HMRC officials have described as the greatest change since the introduction of the PAYE system, Real Time Information (RTI) commences. Employers will be legally required to report PAYE in real time. This means that information about all PAYE payments will have to be submitted to HMRC online each time a payment is made as part of the payroll process, rather than at the end of the year as they are now.

### **3. Schedule 1 Clause 21**

#### ***Interpretation***

**21. In this Schedule “financial year” means—**

- (a) the period beginning with the day on which ESA is established and ending on the next following 31st March; and**
- (b) any subsequent period of 12 months ending on 31st March.**

It is disappointing that no consideration has been given to aligning the financial year with the academic year. Currently, financial management of our schools is like that frustrating experience of watching a film where the sound and vision are out of synchronisation, not in this case by a few seconds but by five months!

ESA will be a body at arm’s length from government. I note that our Further Education Colleges have adopted a year end date that is relevant to their activities and so I am puzzled that no provision is being made for our schools, and the proposed body which will support them, to do likewise.

I note that HM Treasury has been willing to investigate at length the possibility of devolving Corporation Tax-varying powers to the sub-ordinate legislatures. The potential to create four separate Corporation Tax regimes within the United Kingdom will have far-reaching consequences for every business in the UK which prepares a Corporation Tax Return in that they will have to not only demonstrate how, but where they made their profits. If HM Treasury is willing to be flexible in this matter, then it should also be prepared to be flexible as to the year-end date for our schools.

Yours sincerely,

David J Stewart