

COMMITTEE FOR EDUCATION

Informal meeting with Common Funding Scheme stakeholders

Tuesday 12/03/13 at 3.30pm in Room 115

PRESENT:

Members - Mervyn Storey
Danny Kinahan
Jo-Anne Dobson
Michelle McIlveen

Staff – Peter McCallion
Sheila Mawhinney
Sharon McGurk

NOTE OF ISSUES RAISED

1. Reform of the Common Funding Scheme

Many participants supported the principle of reform of the Common Funding Scheme stressing the need for transparency and simplicity in a revised system of school funding. It was argued that the reform of the Common Funding Scheme (CFS) could alter the current imbalance between centralised funding and funding delegated to schools – some participants felt that too high a proportion of funding is held centrally and that this compares badly with other jurisdictions.

Some participants were very wary of the motives behind the production of the report on the CFS and wanted assurances that a revised scheme would not be used to foist wide-ranging changes on the education system which would undermine the quality of education and the terms and conditions of teaching and non-teaching staff. Some participants also indicated that reform and simplicity were less important considerations than properly meeting local educational need.

Other participants strongly argued that reform was long overdue and that a revised CFS must support key Departmental policies over the next 10-15 years.

Opinion was divided as to whether a reformed CFS should support a greater level of autonomy in schools. Some participants strongly opposed this suggestion. Others strongly supported the notion of more control over spending by individual principals and Boards of Governors.

One participant strongly argued for the production and publication of a complete outworking of the CFS – showing the funding for every school - as it currently is and as it may be if the reforms are implemented. It was argued that this was an essential prerequisite before any meaningful assessment of the revised CFS could be undertaken.

2. Targeting Social Deprivation

Some participants argued strongly that social and economic deprivation was a key factor in determining educational attainment. It was therefore argued that the CFS should better target support for socially and economically deprived children in schools.

Other participants argued that educational outcomes e.g. the promotion of literacy and numeracy and support for improving the quality of teaching were a more appropriate focus for the CFS. These participants did not support changes to the CFS which would direct additional support on the sole basis of socio-economic background.

There was some commentary on the use of Free School Meal Entitlement (FSME) as a measure of socio-economic deprivation. Some participants welcomed the independent report's recognition that a variant on FSME might be required to properly reflect socio-economic deprivation. Others strongly felt that FSME was a poor and inappropriate measure particularly in respect of rural poverty. They contrasted DE's current approach with that of OFMDFM which makes use of other (multiple deprivation) measures so as to highlight areas of need and with other poverty measures which are in use in New Zealand.

Some participants criticised the report for a lack of clarity on the suitability of FSME as means of tracking poverty and targeting funds. It was suggested that the report should have clearly endorsed the present measures or suggested alternatives. Participants suggested comparisons with the data from the Children and Young People's Strategic Partnership and Health Trusts to determine the accuracy of TSN weightings.

3. Funding for primary schools

The report indicates that post-primary funding per capita is 1.4 times the per capita funding for primary schools. The report indicates that in England this ratio is 1.1.

Most participants agreed that there was an imbalance in the current funding arrangements which disadvantages primary schools – some participants called for the “front-loading” of education by increasing support for primary schools. Participants agreed that this should not be achieved at the expense of post-primary schools. Some highlighted the need for higher teacher:pupil ratios and the demands of a wide-ranging curriculum as underlying the requirement for higher levels of support for post-primaries.

Some participants suggested interim increases in funding to cover a lengthy period of transition during which the imbalance in funding between primaries and post primaries might be addressed in part.

Participants referred to the wide variation in the per capita funding of primary schools – particularly small rural schools

Participants also commented on the report's recommendations in respect of a review of earmarked funding and initiatives – which currently account for perhaps £160m pa of funding to schools. Some participants welcomed this recommendation on the understanding that the funds would be transferred into the delegated funding for schools. Participants commented on what they described as reactive funding received at the end of the financial year and associated with initiatives and earmarked funding. It was noted that the late arrival of funds was not conducive to good financial management.

Participants again commented on the absence of detailed financial modelling for the report. It was argued that this was an essential prerequisite before any meaningful assessment of the revised funding proposals for primary schools could be undertaken.

4. Financial Management Success

The report notes the varying success of schools in certain sectors in balancing their budgets. The report recommends that schools in any sector which demonstrate willingness and ability should be permitted an enhanced level of financial autonomy in-line with voluntary grammars and grant-maintained integrated schools.

Participants questioned the meaning of the term “financial management success” Some argued that concentrating on a school's ability to simply balance a budget was to completely ignore a school's most important function: the education of children. These participants felt that the measure of a school should always be based on the educational experience for pupils and not its ability to balance a budget.

Some participants strongly opposed any further delegation of autonomy to schools in respect of financial matters. These participants felt that further delegation would undermine the school infrastructure; lead to unfair variations in terms and conditions for staff and would be of no benefit whatsoever for schools and the educational experience that they provide for children.

Some participants highlighted the benefits for schools in the Controlled sector who enjoy a level of support from the ELBs. It was suggested that further delegation might undermine ESA's ability to maintain this central level of support.

Some participants strongly favoured the standardisation of school financial reporting and the development of triggers to alert funding authorities that schools are becoming no longer financially viable.

5. Special Education Needs budget

The report recommends the development of a SEN budget for schools.

Some participants expressed concerns in respect of this recommendation. Participants could see no administrative benefit in such a change. These participants felt that such a change would undermine the system of individual statements of need and would be detrimental to children. Participants accepted that current arrangements may be expensive but that there was a clear and measurable benefit for children. Participants also believed that schools would be ill-equipped to administer the proposed alteration and that the transfer of responsibilities associated with the change would not be welcomed.

Other participants commended the recommendation that DE should target funding based on the collective needs of stated pupil rather than allocating resources to individual children. However as before it was noted that the absence of a detailed financial model made further commentary difficult.

Participants highlighted the need for more resources to be made available for SEN and that early front-loaded intervention would ultimately improve outcomes and reduce costs.

6. Small Schools

The report recommends the removal of the Small Schools Factor from the CFS and the introduction of support for strategically important small schools.

Participants strongly felt that when considering the rationalisation of the schools estate in rural areas, consideration must be given to all of the costs associated with closure – e.g. transport, travelling time, and other societal costs.

It was also argued that the Department must properly model all of the impacts of closure and amalgamation including the financial and the impact on societal segregation.

Participants highlighted cases where the CFS disadvantages schools which amalgamate – one example included 2 schools which had amalgamated and as a consequence had lost £250k of funding. Alternatives were suggested including the maintenance of the Small Schools Factor for 2 years after merger.

Participants welcomed the introduction of support for strategically important small schools but indicated that in the absence of any detail, the Small Schools Factor should be retained during a transition and evaluation period. Participants also questioned how strategic importance was to be established objectively and consistently.

Participants recognised the variation in per capita costs in school but argued that the unique and beneficial educational experience offered by smaller schools was of

a very high value. Participants questioned the logic underpinning the 105 pupil Bain threshold for small schools.

Participants commented on the absence of detailed financial modelling for the removal of the Small Schools Factor. It was argued that this was an essential prerequisite before any meaningful assessment of the revised funding proposals for primary schools could be undertaken.

7. Funding and pupil numbers

The report suggests that funding should follow pupil numbers with additional support targeted at socio-economic deprivation, other factors and small schools. The report suggests that the focus of the CFS should be pupils and supporting Departmental policy rather than the maintenance of educational institutions.

Participants recognised the need for support to follow pupil numbers but stressed the important contribution made to the educational experience by institutions both small rural primary schools and schools supporting a particular ethos. Some participants argued that the Amalgamation Premium did not recognise or address the substantial costs associated with mergers.

8. Post-16 education provision

The report suggested that post-16 provision should be planned and organised on an area basis and that Further Education provision should be included.

Participants felt that it was only logical for Area Plans to include consideration of Further Education provision. Participants highlighted growing co-operation between schools and the FE sector in respect of the Entitlement Framework – in particular the provision of specialist support by FE colleges. Participants referred to the important role of FE colleges in the “education mix”. Some participants highlighted waste in the post -16 sector supported by the CFS which incentivises schools to develop post-16 provision which may duplicate that provided by FE colleges.

Other participants highlighted present organisational difficulties and the absence of a 14-19 education policy.

9. Other issues

Participants highlighted concerns associated with the transition to a new CFS – including the need for more financial training in schools and excessive rationalisation costs including redundancy payments.