



Northern Ireland
Assembly

**COMMITTEE
FOR EDUCATION**

OFFICIAL REPORT
(Hansard)

Stakeholder Event: Draft Budget 2011-15

9 February 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mervyn Storey (Chairperson)
Mr Dominic Bradley
Mrs Mary Bradley
Mr Jonathan Craig
Lord Reg Empey
Mr Trevor Lunn
Mr John McCallister
Mr Basil McCrea
Miss Michelle McIlveen
Mr John O'Dowd
Mrs Michelle O'Neill

Witnesses:

Mr David Cargo)
Mr Shane McCurdy) Association of Education and Library Boards Chief Executives
Mr Barry Mulholland)
Mr Stanton Sloan)

Mr Frank Cassidy) Association of Schools and College Leaders

Mr Jim Clarke) Council for Catholic Maintained Schools

Mr Gavin Boyd) Council for the Curriculum, Examinations and Assessment

Mr Seán Ó Coinn) Comhairle na Gaelscolaíochta

Mr John McGrath) Department of Education

Ms Evelyn Dermott) Governing Bodies Association

Mr Eddie McArdle) General Teaching Council for Northern Ireland

Mr Aidan Dolan)

Mr Paddy Mackel) Irish Congress of Trade Unions

Mr John McAnulty)

Mr Seamus Searson)

Ms Noreen Campbell) Northern Ireland Council for Integrated Education

Ms Lorna McAlpine)

Mr Seamus McAleavey) Northern Ireland Council for Voluntary Action

Mr Stephen McConnell) NI Voluntary Grammar Schools Bursars' Association

Mr Oliver Mooney) Specialist Schools Principals Forum Steering Group

The Chairperson (Mr Storey):

All witnesses should have received an information pack with a programme for this afternoon's session. That includes a copy of the Committee's interim response of 28 January 2011 to the Committee for Finance and Personnel on the draft education budget, together with a page illustrating additional information on the budget and the Committee's scrutiny of it, which can also be found on the Committee's web page. There are also copies of the key points summaries from most of the stakeholders presenting to us this afternoon.

The Committee has been very much engaged on this all-important issue, and now that we have some indication of the Department's draft budget for the next four years, the Committee felt that it was time to hear the views of some of those who are, as we often describe them, at the coalface of our education system and who will have to manage the implications of this budget. I ask all our witnesses, if at all possible, to keep their remarks strictly within the time that we have allocated. We are trying to say two minutes for those, as we have a considerable number of presentations to get through.

No one in this room underestimates the challenge that lies before education. Indeed, that is

particularly the case following the announcement of the draft Budget, as we look at the concerns and the issues that it throws up for education. This is a genuine attempt by this Committee to hear the concerns of the people who will be left to deal with those issues. You are all very welcome to Parliament Buildings. Without any further ado, I will call on our first witness, Mr David Cargo, to give us the view of the Association of the Chief Executives of the Education and Library Boards.

Mr David Cargo (Association of the Chief Executives of the Education and Library Boards):

Thank you, Chairman. If you do not mind, three of my colleagues will also speak, so that you can see that what we are presenting is the consensus view of the education and library boards, not just the view of the chief executive of Belfast Education and Library Board.

Thank you for the opportunity to make this brief presentation to the Committee. Each board will be making a detailed submission on the plan, and most boards are at various stages of that process. I apologise for the absence of the chief executive of the Southern Education and Library Board; it is meeting this afternoon and he and all the senior management team are, therefore, not available.

Taking £400 million out of the education budget is a very challenging process. It needs a level of consensus around priorities in the education sector at all levels: Assembly, ministerial, departmental, board and school. Importantly, it needs an effective implementation plan to ensure that the savings identified in the plan are achieved.

The association broadly supports the intentions of the Minister and Department as outlined in the plan. I say that in the context of the explicit intention in the plan to protect the most vulnerable. There is also an intention to protect as far as possible the core front line service of classroom teaching. We will focus on four key aspects of the plan and give the Committee ideas that it can consider in its deliberations on the budget. We feel that if you tackle those issues, you may obviate the need for job losses in the sector.

Mr Shane McCurdy (Association of the Chief Executives of the Education and Library

Boards):

The Association of Chief Executives welcomes the Ministers' decision to protect end year flexibility (EYF) for schools, given the impact that it will have on the planning processes that schools have embarked on. However, in the context of the draft budget, the scale of the financial challenges that lie ahead make us focus on the short- and medium-term future of the local management of schools (LMS) as it currently operates.

We have a system that delegates resources to 1,200 managers across the Province, who are working to their own budgets and agendas in the best interests of their schools. The scale of what we now face requires us to look more comprehensively at the effective use of the finite resources available. In a time of austerity, we do not feel that the continued operation of LMS in its present form is the most appropriate way forward. The association suggests freezing the present surpluses that exist for schools, to be used for their benefit at a time in the future. In the interim, we suggest seeking to manage and fund from the centre the cost of the teaching cohort, recognising that there is a wide variation in those costs due to terms and conditions of employment, and reverting to a process in which the pupil:teacher ratio and the number of recognised teachers in schools is set at the centre.

In that way we would seek to help to manage at a time of austerity a process that enables schools to better focus on their priorities, raising educational standards and outcomes through the teachers, who would then be allocated to schools. That is a short-term measure to try to get us through the immediate situation, while guaranteeing schools with surplus funds access to those funds. The LMS formula cannot be immune to the challenges that it faces. Rather, we have to be seen to be managing the process.

Mr Stanton Sloan (Association of the Chief Executives of the Education and Library Boards):

David mentioned the protection that is being afforded to the most vulnerable young people in our society, who attend our schools. The Minister gave that undertaking, and we warmly applaud that. The Minister also indicated that support for the classroom, to continue to look at and raise standards, is key, and we concur with that.

However, as an association we have to point out certain positions with respect to special needs. Special needs is funded by the boards from centrally retained funds. When you take into account the amount that is spent on special needs and associated transport costs, you will find that, on average, that is approximately 60% of the funds held at the centre by an education and library board. In my board it is closer to 66%. We applaud that level of funding and are not trying to minimise or reduce it. It is important that it is maintained. However, the pressure on funding central support services for schools such as finance, legal services, HR, school meals, the curriculum advisory and support service (CASS), and parts of maintenance, will cause the level of funding to special needs to come under serious threat.

To offset that situation, the association is of the view that, rather than tackling those services, we should look at the bureaucracy that surrounds special education needs legal requirements. Before I came here today I worked out that, on average, it costs £2,500 to get a statement for a child. To put that into even more stark terms, it costs £250,000 for every 100 statements. On occasion, the amount of work that that entails is totally unnecessary. If a child requires visual aids, they require visual aids. It does not take educational psychologists or other practitioners to tell you that, yet you have to go through a 28-week period and spend £2,500 to make available a resource costing £500. That just does not stack up in the current climate.

We believe that the bureaucracy needs to be reviewed, and, in particular, statementing should be looked at as a procedure that is undertaken only when there is disagreement between parents and the education and library board. That would reduce the cost significantly. In the South Eastern Education and Library Board area there are 3,600 statements, which cost £2,500 each. That equates to £9.1 million. If we want to support special needs, support the classroom and support those who provide front line services, we strongly advocate that that bureaucracy should be considered and reduced if at all possible.

Mr Barry Mulholland (Association of the Chief Executives of the Education and Library Boards):

I am here to speak about the capital programme. The association of chief executives welcomes the intervention by the Minister to protect teacher jobs through the proposed movement of £41 million capital into recurrent expenditure. Although that seems counter-intuitive, it allows time

to commence the process of meaningful area planning, and, at the same time, ensures that the current cohort of schools have sufficient staff to be able to offer continuity in teaching and learning.

Everyone generally recognises that the debate in Northern Ireland on the appropriate number of schools has already taken place, and the outcome of that is recognition that there should be fewer schools. Action needs to be taken to address the re-engineering of the estate across the various sectors. However, any re-engineering will require capital investment for major newbuilds or significant refurbishment programmes. When we look at the capital element of the draft budget, it becomes clear that we simply require access to more capital resources in order to modernise the service.

There are other issues that need to be considered, such as the consequential effects of major work delays on maintenance and minor works backlog. There are major backlogs in maintenance and minor works, and boards have tended to limit the amount of investment in maintenance and minor works to schools that have been recognised to be put on a new building programme. We believe that that is a good use of our funds. The exception is that we cover health and safety needs in those schools. However, schools cannot wait indefinitely for capital investment. Significant medium-term investment will be required to do those minor work programmes, so that schools can not only meet health and safety requirements but be fit for purpose. Furthermore, if new schools are not being built, we will have to invest more money in the health and safety and disability access requirements of existing schools.

When capital is mentioned, people think of major works or newbuilds, but there are other capital requirements in education and library boards and in the education estate, such as school buses and IT equipment. Therefore, the limits affect not just new building programmes but all capital investment in the education service. The message is clear in the draft budget, and the association of chief executives tends to agree with that. Education simply requires access to more capital resources to modernise the service.

Mr Cargo:

The final point relates to reorganisation of services. Boards spend around £25 million on central

administration, which is not a huge part of the £1.9 billion budget. However, we are on record over a significant period as saying that the reorganisation of services would help to achieve savings in the system and streamline bureaucracy, thereby protecting the front line services of the classroom. Boards are on record as being in favour of a single authority. However, we understand that, in achieving that, the legitimate interests of the various stakeholders need to be protected in legislation. We know where the Bill sits, and we hope that a political consensus will emerge around that issue at some stage because, in the meantime, it is left to us to continue to operate the situation in a period of uncertainty around vacancy control. Staff have no certainty around future jobs, which makes the situation around reorganisation quite difficult.

We recently issued a call for voluntary severance among the boards. Across the five boards, 450 staff said that they were interested. That does not mean that they will all go, but if the sector can manage to go forward in a planned way, it is possible through voluntary redundancies to change and transform services without the need for compulsory redundancy. We welcome the £25 million that the Department has made available to boards, and we are likely to spend the vast majority of that on reorganisation and voluntary severance. We hope that the Committee will be supportive of the savings plan to ensure that adequate resources are available to continue with voluntary severance because, by so doing, the need for compulsory redundancies will be avoided and vital jobs in the education sector will be protected.

The Chairperson:

Thank you very much, David, Stanton, Barry and Shane. If members wish to raise a point, they should note the individual and the organisation, and we will have questions after the presentations.

Lord Empey:

Chairman, it might be helpful if those who are making presentations had a table or something to put their notes on.

The Chairperson:

We can use the lectern.

Mr Jim Clarke (Council for Catholic Maintained Schools):

Good afternoon. I thought that I was going to get a box to stand on; then I would have really looked big around here. The Council for Catholic Maintained Schools (CCMS) only became aware of this event yesterday. We have submitted a piece of our draft response to the budget. I want to take a wider view by reflecting on where the budget sits within the Executive's overall Budget, particularly since the Executive have set out to promote and protect the economy. We find it very strange that education, which is such a key driver for the economy, is so badly hit in the Budget. In considering the overall Budget for Northern Ireland, the Executive should look again at the impact of education across all of the issues that have to be considered.

Of all the Departments, the Department of Education is the hardest hit in the Budget. That becomes a greater problem when we compare how education has been treated in Northern Ireland with how it has been treated on the UK mainland and in the Republic of Ireland. In the Republic there is a 1.1% increase in revenue over the period; we are looking at a 8% reduction, quite apart from anything that might emerge from unanticipated costs.

We are concerned not just about the scale of the savings, which are quite savage, but about the timescale for their implementation. We believe that a period is required to allow us to do things differently and that support is needed in schools and the education system as a whole during that period. In addition, reducing the workforce, either in schools or in support of schools, so rapidly has the further risk of damaging long-term education provision in Northern Ireland.

We agree that there is an overprovision of school places in Northern Ireland and that the rationalisation of the schools estate will be important. However, that alone will not make up for the deficit in the savings required in this spending round. Similarly, the reductions in the capital programme will make the reorganisation of the schools estate much more difficult. However, having looked at the figures, CCMS believes that the reclassification of the £41 million is a necessary first step this year, as many schools in the first phase of the next budget will still be running on plans made in the current school year. For instance, staffing levels will probably have to be retained until the end of this school year, thus making the required savings even more difficult to deliver.

The council accepts the need for the review of public administration (RPA), but it acknowledges that the related savings, as a percentage of the education budget, will now be less than they might have been. However, we see RPA as important not just for saving money but as a means through which to look at how services can be delivered much more efficiently and effectively.

Taking a fairly strategic view, although not in any way welcoming what is likely to be ahead of us, we have to acknowledge that we will have a reduced budget. Rather than simply complaining about it, we need to look at how we can deliver education differently. In that respect, we believe that the Department needs to set out, with its education partners and politicians, a vision and strategic plan for education that takes account of the new environment in which we find ourselves and that goes beyond the five pillars that have been identified by the Department as its priorities. We need to determine how the resources that are available to us can be used to best effect to raise standards, close the gap, and intervene early to prevent failure.

We see partnership working not just within education but with other statutory, voluntary and community sectors as being a very important aspect of future education, particularly in preparing children for school and for early years. In addition, we would like to see much more collaboration between schools, particularly in areas of professional development. Schools need to become much more independent and interdependent, so we would like the concept of area-based planning to include planning for the curriculum, not just planning for the schools estate.

Although it is difficult to take anything positive from the budget, we welcome some things in it. We see that there has been an attempt to rebalance the budget and to reprioritise spending, particularly towards early years, by protecting extended schools through extending the entitlement criteria for free school meals. All those things will address the more disadvantaged and impoverished communities in our society. Although we think that that is a very important first step, it is only a first step. As I said, to achieve anything of significance, we need to work with partners.

A number of the Department's policies need to be significantly reviewed, and we concur

absolutely with the chief executives of the education and library boards that the LMS formula needs to be looked at radically. The settlement needs to be challenged robustly not just in education but within the Government, because, as I said, it is not good for Northern Ireland or for creating a workforce equipped with the skills required for the future. The Department of Enterprise, Trade and Investment talks about an export-led economy, but it is very difficult to see how we can create that economy without changing the curriculum, increasing the applied element of that curriculum and ensuring that young people leave school not just with basic literacy and numeracy skills but with the full range of skills that are needed in a modern society. In many respects, literacy and numeracy are simply portals to that.

We need a managed transition to new arrangements, which needs to be planned for. For that reason, we want to look at the prioritisation of the savings that have been outlined. However, we acknowledge that, from now on, service delivery in education will be fundamentally changed forever.

The Chairperson:

Thank you very much, Jim. I call Noreen Campbell, who is the chief executive of the Northern Ireland Council for Integrated Education (NICIE). You are very welcome; thank you for taking the time to join us this afternoon.

Ms Noreen Campbell (Northern Ireland Council for Integrated Education):

I will move the lectern to the side, because I feel very exposed with my back to such an audience.

The Chairperson:

You have the full endorsement of the Education Committee. *[Laughter.]*

Ms N Campbell:

Members of the Committee, ladies and gentlemen, I trust you totally. Thank you very much for your invitation to appear in front of the Education Committee this afternoon. I will not deal with the specifics of the budget because I know that they will be dealt with in detail by the other stakeholders.

I want to make some general points and will begin with a political one. NICIE deplores the financial decisions from Westminster that have led to such immediate and deep budget reductions. It is our concern also that the public are not aware of the impact that those cuts will have on our education service, and, more importantly, I am not convinced that schools are aware of the scale of the cuts that they will have to face. I urge the Department of Education to provide hard information to schools on the impact on school budgets over the coming four years and to provide support for the longer-term planning that will be necessary if schools are to manage the cuts while maintaining, promoting and protecting educational standards. NICIE is deeply concerned that the present crisis in spending will result in the rationalisation of the schools estate within the present sectoral arrangements. That will deepen segregation and maintain the duplication and triplication of resources, which is crippling the cost-effective delivery of education here.

Five years ago, the Bain report was published. Had it been acted on at that time, the education service would be much better placed today to deal with the present economic situation. We can avoid the issue of rationalisation no longer. The present crisis creates an opportunity for a radical re-examination of our education provision, one that chimes with the present mood among the public. NICIE calls for an independent commission that will seek ways to implement the recommendations of the Bain report and the Department of Education sustainable schools policy in the context of the statutory obligation to support integrated education placed on the Department by the Education Reform (Northern Ireland) Order 1989 and the Belfast Agreement 1998. There are clear benefits to be gained at both an educational and a societal level for taking such a step.

This crisis does not just impact on education; it impacts on all our services. NICIE argues for a joined-up, long-term approach from the Executive to tackle that deficit. The policing bill in Northern Ireland far exceeds that of similar sized regions in the UK and Ireland. That will continue to be the case when community relations remain so fragile in certain areas and when increasing numbers of poorly educated young men become unemployed or less employable because of cuts to the service and, possibly, become more susceptible to paramilitary influence. There is a clear argument for investing in community relations to ensure that increasing poverty does not result in increased sectarianism and an increased paramilitary threat.

There is a clear argument for removing the fear of the other, which is the building block of sectarianism, through ensuring meaningful and sustained contact between the major traditions of Protestant and Catholic. Shared education provision should be an entitlement for all young people. Investment in integrated and shared education will protect and build a shared future. Investment in integrated education will make the best use of limited resources. Investment in integrated and shared education will reduce significantly the transport bill and protect rural education provision.

The proposed spending cuts will have the greatest impact on the poorest and most marginalised in society. NICIE welcomes the commitment in the proposed education budget to protect free school meals and early years. It is important that the drive to improve standards is not lost in the challenge of managing reduced budgets. It is important that the move towards all-ability provision continues. There can be no argument for a privileged education for the few when resources for all are so limited. I will now pass over to my colleague Lorna McAlpine, who will finish with some more specific points.

Ms Lorna McAlpine (Northern Ireland Council for Integrated Education):

As our colleagues have mentioned, we are calling for a single education authority for the reasons that have been outlined in the other presentations, namely curriculum needs in schools and the workforce in schools and in the education authorities.

I was privileged to be part of the committees that worked on negotiating terms and conditions for non-teaching staff. I saw a great spirit of partnership among those organisations. That has to be capitalised on, because future education services will be delivered through a single education authority. That would reduce the impact of cuts on schools because there would be a saving year on year. There would then be money to put back into schools and that would be one way to deliver something that would improve the outcomes for young people.

An area of interest to NICIE, which was outlined by Jim Clarke from CCMS, is area-based planning. That was also referred to by Barry Mulholland. Area-based planning is very important. As a result of the stasis in education, other authorities have been forced into making their own strategic arrangements on area-based planning. Jim Clarke spoke about sharing curriculums and

institutions. Those are important issues that must be addressed now.

There is an opportunity to be taken here and now, whether for economic or educational reasons. The two can be delivered together. We must question what we are delivering for our children and young people in this country, think more about the children rather than the institutions and sectors from which they come, and find a method to bring forward area-based planning that delivers across the sectors.

Otherwise, because there is stasis, sectors will be forced into making those arrangements for themselves, because there is no broad-brush, Province-wide approach being taken. We will end up institutionalising segregation in schools, in the way that it is at the moment. There are 1,200 schools in Northern Ireland of which only 100 have any mixing beyond 10%. We have about 60 schools, so that gives you a figure of where we are.

I want to address a couple of issues more to do with integrated schools, one of which is transport. Integrated schools serve a wide area and they asked us to raise this issue. Some children travel some distance to get an integrated education and are dependent on school transport to do so. Were that to be withdrawn it would impact on parental choice and further underpin the present unequal situation where the assumption is that those who are deprived in their choice of integrated education through lack of spaces will be satisfied with a segregated choice. If the transport is removed, pupils will be forced to attend segregated schools.

There is also an issue with buildings. Many schools were established in completely mobile accommodation and there are still four such schools. They are expensive to run, maintain and heat. That was emphasised with the circumstances over Christmas. It is important to find ways to bring forward capital work to address that issue. We must continue to raise the topic, because children are experiencing problems in those schools. People work very hard to keep them habitable for young people, but it is an issue.

Mr Seán Ó Coinn (Comhairle na Gaelscolaíochta):

Comhairle na Gaelscolaíochta welcomes this opportunity to address the Education Committee and we acknowledge the serious budgetary environment facing the Department of Education and

the Stormont Executive.

We welcome the joint statement by the Education Minister and the Minister of Finance indicating that schools will continue to have access to their accrued surpluses. Comhairle na Gaelscolaíochta also welcomes the statement of priorities by the Minister on areas of spending to be protected from the budget cuts. That should afford some protection from the budget cuts for the more vulnerable in the education system and society, particularly special educational needs (SEN) pupils, pupils in need of counselling and pupils who qualify for free school meals.

In addition, we support the Minister's decision to maintain expenditure on early years provision, recognising that investment in that area has been proved by international research to return significant educational and social advantages to young people, and, in turn, result in significant and positive financial outcomes for society.

The Minister made a commitment to protect front line delivery of services as far as possible, which, again, Comhairle na Gaelscolaíochta supports. We welcome the Department's intention to target transport, specialist schools and substitution costs in making the necessary savings in the education budget.

I want to address specific proposals in the draft budget. Comhairle na Gaelscolaíochta believes that significant savings can be made to the administration element of the education budget with regard to the maintenance of schools through establishing a single education authority. We acknowledge the legislative difficulties in arriving at a political agreement on that. However, a single education authority would result in considerable savings and cost efficiencies, a slimmed-down bureaucracy, better accountability, improved standards and better co-ordination of children's services. The establishment of a single authority could also contribute positively to the implementation of the budget proposals, particularly those associated with transport and professional services.

We support and acknowledge the proposals to reclassify the capital budget in year 1. Although we understand the need for capital investment, the current system of building schools is costly, unwieldy and takes a considerable time from planning to implementation. We recommend

that the Department begins to seriously investigate alternative models of providing school accommodation more quickly and more cheaply.

Our greatest concern is the Department's plan to reduce the aggregated schools budget. We acknowledge the need to address school rationalisation. The implications of the proposed cuts over the four-year period are significant and will undoubtedly cause unimaginable hardship to schools. We welcome the Minister's commitment to prioritise front line staff. However, that commitment is likely to be meaningless in the face of the proposed cuts to the aggregated schools budget.

The home-to-school transport system is grossly inefficient. It is not serving the needs of pupils or schools efficiently, and significant savings are to be made through the efficient reorganisation of transport services. We recommend that the Department reconsiders that area, to see whether even greater savings could be achieved. Although regrettable, we support the cuts to ICT. It is also sensible to cut support at this stage for the education framework. We wholly support the cessation of expenditure supporting specialist schools.

Comhairle na Gaelscolaíochta is very concerned about the proposed cuts to professional support to schools. That service, particularly when associated with the regional training unit and the curriculum advisory and support service, is important and many schools depend on it, particularly at a time of significant change. We acknowledge the need to address duplication across education and library boards and the need to improve efficiencies. However, we are concerned to ensure that expertise is not lost to the system. The Department's proposed savings in that area are too great and we recommend that the Department reconsiders the proposed savings and questions whether they are achievable without causing significant challenges to the effective delivery of education.

We support the efforts to achieve savings through rationalisation of the provision of substitute cover to schools. Although not in the budget proposals, requiring schools to prioritise the use of recently qualified substitute teachers rather than recently retired teachers may also contribute to savings in that area and offer opportunities for newly qualified teachers to gain valuable experience.

We have a number of general concerns about the proposed cuts. At times of financial pressure, minorities frequently bear a disproportionate burden of the pain. In addition to carrying out a section 75 impact assessment, it is important that the Department and Minister ensure that pupils and staff in smaller schools sectors are not made to carry more than their fair share of the burden of pain due to unintended consequences.

We appreciate that no school sector can be immune to the impacts of the cuts, particularly those to the aggregated schools budget. However, we are concerned that many Irish-medium schools are particularly vulnerable to the additional adverse impacts of the proposed cuts. There are several extenuating circumstances relating to Irish-medium schools, not least that many are at the very early stages of their development. Many are, like schools in the integrated sector, in temporary accommodation. Many have young and relatively inexperienced staff and many are inadequately catered for by the transport system.

We are also concerned that the Irish-medium sector may be affected disproportionately as a result of the proposals to reduce professional support to schools, particularly at a time when the Department and the boards have acknowledged that there has been a significant historical shortfall in the professional support going to the Irish-medium sector and have produced recommendations to address that in the Irish-medium review.

We are also concerned that not only do Irish-medium pupils have little potential access to the education framework through Irish, a significant number of Irish-medium pupils have no access to Irish-medium post-primary provision. Therefore, the Department of Education proposals need to be implemented sensitively and adapted to meet the needs of specific schools where that is possible, in the knowledge that a broad-brush approach may result in unintended consequences and in pupils and staff suffering unduly.

The Minister and Department have been handed an impossible task of trying to maintain an education system with insufficient resources. I echo the comments of my colleagues in saying that it is essential that the Executive agree an additional allocation to the education budget to avoid some of the more detrimental effects of the proposed savings, particularly in the areas of

the aggregated schools budget and professional support services.

Mr Eddie McArdle (General Teaching Council for Northern Ireland):

I cannot speak with my hearing aids in. When Jim Clarke was talking I turned them off. *[Laughter.]* Jim is an old friend of mine.

The General Teaching Council for Northern Ireland (GTCNI) thanks the Committee for the opportunity to reflect. Like Jim, we heard about this meeting quite late. I want to start off with something that I hope is not taken wrongly but is, in a sense, a chastisement of our politicians. The council feels that education has become a political football and that that, allied to the difficulties that emerged in the workings of the Executive in developing a Budget, is not helpful and has not reassured those of us who are the users that we are in safe hands.

It is important to make that point. Equally, the council recognises that the circumstances in which we find ourselves are the result of the cut to the block grant and not a result of a decision that was made directly by you. When the council was reflecting on the issues, we looked at them from several perspectives. First, we asked will the proposals help the profession to best meet the needs of pupils and students? Secondly, will they contribute to the empowerment of the profession, as is necessary to meet the needs of students? Finally, will they recognise the centrality of the above and consider what is feasible in the current economic and political climate? It is recognised that if the money is not there we will have to arrive at some sort of consensus.

The council equally feels that the priorities established by the Minister and Department are wholly appropriate, and we support them. What is of concern to the council is the lack of specificity and the feeling that that precludes a meaningful reflection on issues and creates a sense of suspicion that the process lacks a necessary transparency. In some cases, there is a supposition that proposed savings are a wish list, because there is no indication of how said savings will manifest themselves on the ground and in operation. Is cutting transport, for example, really that simple? Do we have a detailed answer? No.

The council's next concern is the immediacy and depth of the envisaged cuts. That they are so

immediate, coming on top of us, will make their management and implementation problematic. That is a grave concern for those who administer the education and library boards and all the other bodies. That may lead to an ad hoc approach, in that we have to do something quickly to be seen to be moving on. That would not be helpful. That ad hoc approach would not be at just school level; it might also percolate to other levels.

There is a concern that the most vulnerable in social capital terms, namely, children facing disadvantage and schools whose viability is under threat, will fare worse with the reduction in the aggregated schools budget. Rather than tinker with LMS at this stage there is sympathy for what emerged from the boards, that there might be a chance to look at LMS in a more systemic way. Perhaps there is merit in centralised funding of teachers. In addition, if the end-of-year surpluses secured for this year are to go in future years, a core plank that underpins LMS in meaningful management will be gone. Again, perhaps this is the appropriate time to reflect on that.

It is recognised that savings are to be made in rationalisation. There is concern that the time lag between the Bain report and what we are doing now is unsatisfactory and has, perhaps, led to some of the difficulties that we now have. Equally, however, it must be recognised the closing and rationalisation of schools is a complex process that affects communities in a way that can lead to extreme concern, and savings might not be realised in any short time frame. Therefore, that might bleed into next year, so the savings would not be realised in the anticipated time frame.

Professional support is a big issue for the council. The profession is facing new challenges and a future characterised by uncertainty and, to be honest, fear for jobs. It is important not to undermine the confidence of the profession at this stage by simply giving them new responsibilities, denying them resources, reducing the numbers and expecting an outcome that shows improvement year on year. Inclusion in special needs is a core policy and one that everyone supports. Our recent survey of teachers in Northern Ireland found that 63% felt that they did not have the expertise to address the challenges presented by that area or that their schools had sufficient resources. So, there are issues with the rolling back of the programme.

Redundancies, which will be inevitable and regrettable, will come on top of the reality that 80% of this year's cohort of newly qualified teachers have no permanent job or have had access

to any meaningful level of substitute work. That could potentially cause the morale of the profession as a whole to be impacted on deleteriously.

The council recognises the reality of the cuts. The future of our society depends on an education service that is able to meet the needs of the children. The profession, the education service, is the body that will meet that need. We join other witnesses in saying that perhaps there is a requirement, a need, for the Assembly and Executive to look again at the settlement that has been offered to education.

The Chairperson:

Thank you very much, Eddie. Much appreciated. We will now move to Mr Gavin Boyd from the Council for the Curriculum, Examinations and Assessment (CCEA). My apologies, Gavin, for misplacing you in the running order; it was not in any way deliberate. You are very welcome here.

Mr Gavin Boyd (Council for the Curriculum, Examinations and Assessment):

I am here in my capacity as interim chief executive of CCEA and my comments are made on behalf of CCEA. I commend you, Chairperson, and your Committee for providing this opportunity for stakeholders.

CCEA strongly supports the overall strategic priorities for education that were set out by the Minister, but we also recognise the very great challenges that the draft budget presents. We support the Minister's view that resources should be targeted to where they have the greatest impact and to where they will deliver the greatest benefit for children and young people. In that context, our research in curriculum development has clearly identified that good early years provision provides the vital foundation for later learning and that early intervention to support children with additional needs is particularly effective. I strongly support the comments that were made by Stanton Sloan this afternoon.

As an examinations authority, CCEA provides a range of qualifications that reflect the principles of our curriculum and are responsive to local needs. We also provide real professional development opportunities for thousands of local teachers and lecturers. However, qualifications

processing is complex and is currently labour intensive. In the medium to longer term, there is potential for greater efficiency and a real reduction in cost and risk through further investment in technology.

We fully understand the Minister's proposed reallocation of capital. However, we are very concerned about the pressures on the capital budget. Although most concern will, quite rightly, be about a reduction in school building, CCEA has a particular interest in investment in new technology over the budget period. CCEA has also benefited from the Department's support to develop new local qualifications; for example, occupational studies and learning for life and work. We are very concerned that the reduction in earmarked funding could reduce the flow of new qualifications, particularly new vocational qualifications, over the budget period.

CCEA delivered a very significant revision of the curriculum in 2007 and has continued a major support programme since then, together with developing and providing to schools a range of curriculum support materials. However, if the very challenging draft budget turns into the actual budget, CCEA recognises that that may be an appropriate time to reconsider the ongoing level of support. The curriculum should be allowed to bed in and we should be prepared to rely on the professionalism and commitment of our teachers to get on with the job. The same is not the case in assessment, where significant work remains to be done. However, CCEA has already realised significant savings through the introduction of online training. We advocate that, where possible, we adopt techniques to make the best use of technology and reduce costs.

In conclusion, we recognise the major challenges that are presented by the draft budget, but we stand ready to respond. There is real potential for efficiency gains through smarter working in relation to curriculum and assessment, but we also advise against cost cutting without the supporting investment in technology in the examinations system.

Ms Evelyn Dermott (Governing Bodies Association):

Good afternoon, ladies and gentlemen. The Governing Bodies Association (GBA), as I am sure you are all aware, represents 51 voluntary grammar schools in Northern Ireland. Our schools provide a world-class education for over one third of all post-primary pupils in Northern Ireland. The GBA has operated for over 50 years, and we have a proud tradition of building cross-

community links in education, drawing members from Catholic and non-denominational sectors.

I thank the Committee for the invitation, but we received it only lately, so our presentation is brief and hurried. I thank you for the opportunity to engage on this matter of great and pressing importance to all our schools. I intend to make only a few main points this afternoon and leave the main response to the bursars of our schools, whose views and presentation we fully endorse.

In advance of the publication of the draft budget, GBA schools forecast challenging economic conditions ahead. However, following the publication of the budget, we realise that the scale of the impact is even greater than we had anticipated. If the percentage savings that are outlined in the draft budget translate into school budget allocations, it is clear that our schools will be placed into operational deficit.

By far the greatest cost for any grammar school, approximately 80%, is that of salaries. From 1 September 2010, the cost-of-living based award increased by 2.3% for teaching staff. However, delegated funding for schools has not reflected that increase and is, in fact, just over 0.5%. In addition, the full-year costs of that award will impact on the 2011-12 costs for schools. Therefore, even with an anticipated pay freeze, salary costs for teachers will increase in the next financial year. We are in a situation in which schools are faced with funding reductions and rising operating costs. Staffing levels will be the main area in which we will have to look for savings, with possible serious detrimental effects on teaching and learning. That is something that we do not wish to have to do.

As the Committee will be aware, the GBA has long argued that the education and skills authority (ESA) is unlikely to realise the savings envisaged by the Department of Education. We support and accept the case for efficiencies within the administration of education. In 2006, in setting the context for reform, the Bain report said that in Northern Ireland 69% of the education budget goes to schools, whereas in Great Britain 80% to 85% is normal. There is a vast difference and we need to address that. That difference clearly demonstrates that education in Northern Ireland is overadministered.

GBA does not accept the need to alter the powers of employment as envisaged under the ESA.

Responsibility for the employment of staff goes to the heart of a voluntary grammar school. As our members have the significant majority of their budgets delegated, they are intensely focused on delivering, as we always have, value for money from all current resources. The centralising ethos behind the ESA's increased powers goes totally against current trends in other parts of the United Kingdom, where government is moving towards the autonomy of schools and local communities.

Given the political stasis on this issue, the conditional references to the ESA running ad nauseam through policy documents are really a nuisance. The Department should start to reflect the reality of the current situation.

We note the comments on transfer within the budget and question that item's relevance in a budgeting document.

Reductions in school transport funding are likely to have a disproportionate effect on those attending grammar schools, as, in many cases, pupils cannot attend the school that is closest to their home. Careful consideration must be given to that issue to avoid any change in policy that would impact on the principle of parental choice.

With the reductions envisaged for the development and implementation of the entitlement framework, the GBA believes that the draft budget places the delivery of the entitlement framework under considerable strain. Our schools are, and always have been, open to collaboration, and see it as widening choice and opportunity in the best interests of our pupils. In carrying that out, expenses are, of course, incurred. Therefore, in light of reduced funding, it is clear that the circumstances in which collaboration may be practical will decrease. Given that decreased funding, we expect a corresponding scaling back in the Department of Education's public statement on the entitlement framework.

In conclusion, the GBA supports the case for an increased Budget allocation for the Department of Education and urges the Committee to offer appropriate support to the Minister in that effort. It is clear that only by lessening the scale of the cuts that are proposed that front line services, which deliver teaching and learning to a high standard, can be protected.

Mr Stephen McConnell (Northern Ireland Voluntary Grammar Schools Bursars' Association):

Thank you very much, Chairperson and members of the Education Committee. The Northern Ireland Voluntary Grammar Schools Bursars' Association is very grateful for this opportunity to discuss the draft 2011-15 budget with you. Our response is based on proposed budget allocations, some of the proposed savings and other opportunities to improve services and secure efficiencies.

In reviewing the 2011-15 budget proposals, it is apparent that all schools, irrespective of sector, will suffer by being severely underfunded. We understand the challenge presented by the decreased public sector funding that will be available over the next few years. We recognise that the austerity measures that are proposed by the coalition Government are a result of the extremely difficult economic climate. We also recognise that all Departments, including the Department of Education, must play their part. However, over the past two years, there has already been a reduction in funding to schools in real terms, with grant aid from the Department not keeping pace with inflation. Much of that inflation in a school's budget is outside its control, with centralised salary agreements being entered into, job evaluations being implemented and the general world inflation impacting on energy costs, for example.

The draft budget proposals are likely to result in a significant reduction in front line services. School closures, amalgamations and staff redundancies are very likely to be the only way in which the cuts can be achieved. The budget baseline for the current financial year amounts to £1,915 million, of which 58.86% represents the delegated budget share to schools. Therefore, the balance of £788 million, which is 41%, is held at centre, for other services. The percentage that is held at centre appears to be high and the amount that is delegated to schools is relatively low when compared with the amount that is allocated directly to schools in England and Wales.

The running costs in the draft budget show a reduction in cash terms of an average of 3.2% a year over the next few years. Those figures are after inflation has been taken into account, and they make the assumption that substantial savings will have to be made to achieve those outcomes. The savings that are proposed over the next four years amount to an average of 10.6%

a year. In 2011-12, the total savings that are required from the education budget amount to £139.2 million. The draft budget makes the assumption that those will be achieved by moving a substantial proportion — £41 million in total — of the capital budget, which has already been subject to severe cuts, to the revenue budget.

Savings are anticipated of funds that are held in the centre of £71.65 million, with a further reduction of £26.55 million of proposed funds that are delivered directly to schools through the aggregated schools budget. Over the budget period 2014-15, there is a reduction of 3.6% in cash terms compared with the base for 2010-11. The draft budget makes the assumption that there will be inescapable pressures during that period, amounting to 12.3% of the baseline. To put that in context, an average school's budget share allocation, which is £3.9 million in 2010-11, would suffer a reduction in cash terms of £141,000 by 2014-15. In addition, the school will face inescapable pressures of 12.3%, which amounts to a further £480,000. In total, therefore, the school will be worse off by £622,000, which is unsustainable for any school. With an average teaching salary cost to schools of £48,000 per teacher, that funding reduction would equate to the cost of 12 teachers in an average school.

The magnitude of the funding reduction will necessarily have a negative impact on the education of children in the Province. The scale of teacher redundancies required will result in much larger and more unmanageable class sizes. It is inevitable that the proposals, should they be implemented, will have a negative impact on academic performance and affect the future career prospects of many of our children.

Therefore, we advocate that any decision on funding reductions that will have a direct, negative impact on front line services and on the education prospects of the future generation of children should be considered extremely carefully. That is especially the case as, over the last number of years, schools have seen a decline in real terms in their delegated budgets. Although there has been a small overall increase in the total aggregated schools budget year on year, as has already been mentioned by the GBA, in the 2010-11 financial year, there was an increase of 0.6% over the 2009-2010 delegated budget, representing an average increase of 1.87% per pupil. That increase is insufficient to cover the increasing costs faced by schools.

Teacher salary costs alone represent at least 80% of a school's total costs, and last year the teachers' cost-of-living award was 2.3% in comparison with the prior year. When taken into account with other factors, such as incremental salary increases, the annual salary increase amounted to 4%. In addition to normal inflationary increases, energy costs have increased by up to 50% in the current financial year. VAT, which is a non-recoverable cost within the voluntary grammar sector, has also increased by 2.5% to 20% from January 2011. In this financial climate, it has been a challenge for schools to break even. Furthermore, employers' national insurance is to be increased by 1% in April and Northern Ireland Local Government Officers' Superannuation Committee employers' pension contribution rates will increase to 18% in April 2011, 19% in April 2012 and 20% in April 2013.

Let us look at the proposed savings. We do not know how the home-to-school transport savings are to be made. We have significant concerns if the proposal is to restrict the provision of funding to parents who send their children to a school that is not in their immediate locality. That proposal will have a negative impact on the principle of parental choice, which is enshrined in legislation. Therefore, we are of the opinion that funding reductions should not be applied that could negatively affect parental choice, especially for parents who are less able to pay.

We agree with the proposed reduction in ICT expenditure through more effective procurement and by making the most of the general downturn in computer hardware costs. All schools are now dependent on ICT to deliver the revised curriculum and, therefore, we are in agreement with the proposals, on the proviso that the curriculum is not affected and that the additional costs do not become the responsibility of schools.

In reclassifying capital to resource, the Department's paper states that the proposed level of capital funding can:

“only deliver contractual commitments, invest moderately in minor works, and maintain smaller but important budgets. The ... allocation cannot support the planned 'new build' programme and any investment in this area ... is likely to be intermittent and limited until 2014-15”

at the earliest. That is leaving some of the schools estate in a very poor condition and is only a short-term solution to the funding problem.

With regard to the entitlement framework, the Minister has chosen to allocate money to

support collaboration in the form of area and learning communities. However, the entitlement framework is undeliverable at present from a financial perspective, with schools receiving insufficient funds to implement collaborative arrangements. Transportation costs, for example, which are necessary as a result of the need to move pupils between collaborating schools, have been increasing year-on-year, and a reduction in that area would mean that the entitlement framework, as currently proposed, could not be delivered and schools would, therefore, be unable to fulfill their statutory obligation by 2013.

The proposal to transfer the cost of AccessNI pre-employment checks to the individual rather than it being absorbed by the Department will, in practice, mean a transfer across to the employer, as many of the applications for employment in schools are for catering, cleaning, or other support positions. The applicants tend to be lower-paid workers, hence it is unlikely that the school will expect to pass that cost on to those prospective employees and, as such, the cost burden will be transferred to the school, further impacting adversely on their finances and adding to overheads.

The savings in administration and management are to be welcomed; however, without further detail on the precise proposals for savings in this area, we find it difficult to give a view on the likelihood of achieving those figures. As was stated previously, we believe that central costs are too high when compared with the rest of the UK. In England and Wales, the emphasis is on removing central moneys from local authorities and delegating those to schools to maximise autonomy at a local level. The free school and academy positions exemplify that strategy, and we support the concept of the maximum delegation of funds to schools.

The projected savings in the procurement of goods, services and energy seem to be extremely ambitious, as current procurement mechanisms appear to be fairly effective. We feel that the levels of savings proposed in that context will be difficult to achieve and, again, we would welcome a detailed analysis of how it is proposed that those savings will be made, especially given the recent VAT increase.

The teachers' sick pay scheme has been negotiated by the Teachers' Negotiating Committee and, given the scheme that is in place, it is difficult to see how a reduction in teacher substitution costs as set out in the proposals could be achieved without radical reform to the scheme.

We agree with the proposal to introduce a flat rate for substitute teachers, as that would create both central and school-based savings.

In relation to the GTC, we —

Mr O’Dowd:

Sorry, Chairperson. I do not wish to be rude, and I accept that everybody should have their say, but Mr McConnell has another nine points to go through, and if we go through every presentation in this way, we may be running into serious time difficulties.

The Chairperson:

Thank you, John. Stephen, carry on.

Mr McConnell:

Finally, could I look at other opportunities to improve service and secure efficiencies, from point 20 onwards?

The Chairperson:

Yes, carry on Stephen.

Mr McConnell:

Very significant savings are proposed that could be unrealistic unless there are significant inefficiencies in the education system currently. We believe that there needs to be a radical root-and-branch review of the existing structures, as without significant structure changes, it will not be possible to deliver the £139 million savings required, which increases to £303 million in 2014.

We believe that the voluntary grammar sector delivers efficiencies in education by virtue of the management structure of schools in that sector, and that structure is akin to that of the academies and the free schools in England, which I have already referred to.

We believe that the closure of small, unviable schools is inevitable, and we need a cessation of

the opening of schools that are not economically viable in the short to medium term. The challenge presented by these cuts to the schools budget over the next few years is immense and will inevitably affect front line services, given the limited extent of budget increases in the previous years. We believe that, given that backdrop, there is little room for manoeuvre, and there will be no options other than job losses. As such, redundancy costs are critical and should be defined, as should be the impact of such redundancies on the education of pupils in the Province.

In conclusion, it is our view that a wide range of schools with different management structures and styles should continue to receive adequate public funding, so that parents can continue to choose the kind of education that they consider appropriate for their children; freedom of choice being a principle enshrined in UK and European legislation.

We would question why education seems to have been less successful than other Departments in its draft Budget outcomes. Given the key issues that we have highlighted, we believe that in order to build on and improve current education provision, the Minister should bid for additional funds for the sector, otherwise the financial situation will become untenable for the majority of schools.

Thank you again and apologies if I have gone over my eight minutes.

The Chairperson:

Thank you, Stephen. I now call on Mr Frank Cassidy from the Association of School and College Leaders. Frank, we are glad that you are with us today and we are also pleased that you are back teaching again; we know that you have had some illness and we are delighted to see you looking so well.

Mr Frank Cassidy (Association of School and College Leaders):

Thank you very much, Mr Chairman. I represent serving school leaders. The Association of School and College Leaders in Northern Ireland represents 150 school leaders in 95 of the Province's biggest grammar, integrated and secondary schools, which teach some 45% of the pupil population. I thank the Committee for inviting us, so that you can hear the school leaders'

voice on facing the realities that the changes will make. I thank Lord Empey for the rostrum, without which any respectable headmaster does not feel comfortable.

For us, this is about facing realities. We will have cuts, and we accept that. We have four proposals that we believe are practical and that address the day-to-day concerns of school leaders. Regardless of the cuts, we will have to continue to deliver safe, caring, effective school environments for pupils. Facing those realities means that we need practical proposals to help us to manage our budgets. We have heard a lot about percentages and overall figures. Let me give you give a snapshot of my life. I get £341,000 every month to run a school of 1,000 pupils. I spend £315,000 on salaries. That leaves me £26,000 to come and go on. My oil bill is £11,000 a month. That gives you an idea of how we are not meeting in the middle and, as previous contributors have talked about, we are facing deficits in the immediate future.

Over the past few years we worked on the assumption that the planned building programme would be a reality, but the reality is that that will now not happen. Many of our pupils are in cold, draughty temporary accommodation. A colleague who retired recently said in her retirement speech that, in all her 40 years, she had never taught in a brick building. That is an indictment of the schools estate. We are now in a situation where we will have to make do with what we have. In the short and medium term, we have to make classroom accommodation for pupils fit for purpose, from both a health and safety and a learning environment point of view. So, we propose that a special maintenance fund be set aside to allow essential work for classrooms to go ahead and be expedited. I had to close three classrooms last week because of dry rot and ingress of water, and I have talked to the Department of Education to try to get money to fix that. Those are the realities of life in schools in Northern Ireland.

We will have to reduce our salary costs, which is one reality of managing the contraction of staff. I talked to the Department of Education yesterday to be crystal clear about what is on offer. Older staff can retire with an actuarial reduction, and there will be a redundancy payment, maybe of £15,000. However, it cannot assure me that any additional severance money, which would make early retirement possible, can be guaranteed this side of August. It is impossible to attract someone for retirement with those kinds of promises. We realise and accept that the retirement arrangements needed to change and have changed and that we will never go back to the

enhancements that we saw in previous years. Everyone accepts that. However, we urgently need a mechanism for school leaders to be able to downsize and manage their staffing using severance payments from compensating authorities to help streamline and deliver manageable staff costs.

The entitlement framework has been touched on by a number of other contributors. We have deep concerns about that. Advances have been made, and a wider range of courses are now available for our young people. That is essential at the service end of our economy. However, the pressure and targets for entitlement compliance for 2013 have now become economically unviable and are unrealistic. We propose that the pressure for all schools to deliver 24 and 27 subjects be relaxed and that, in the context of area learning communities, funding be targeted at incentives to allow collaboration to deliver a wide range of courses, with schools specialising in the courses that they currently have; academic courses on the one hand and applied courses on the other, particularly in further education colleges. I echo Lorna McAlpine's earlier comments that the area learning communities provide an opportunity for Northern Ireland to move forward in spite of the budget difficulties. If the entitlement framework funding is accurately targeted and realistically applied, we could make the best of what we already have.

I will now talk about future cover arrangements. Again, I have considerable concerns about that. My cover costs are, on average, £63,000 a year. In England and Wales, where cover arrangements have been agreed — I use that word deliberately — the average cost for cover is approximately 1.5% to 2.5% of budgets. We have an unsatisfactory situation in our schools in which school managers face union pressure on teachers to step aside from cover when it is needed. That will put great pressure on already tight budgets and will precipitate redundancies. We propose an agreed system-wide arrangement for cover to allow for accurate financial planning and consistency of working practices in schools. A round table discussion on that issue between the Department, the Education and Training Inspectorate, the unions and us is urgently needed and long overdue.

Finally, I am deeply concerned at the proposal to erode the voluntary principle. That principle has been an efficient financial delivery model for schools in Northern Ireland by centralising teacher costs. If we have adequate funding and mechanisms to manage our budget through the voluntary principle, particularly in voluntary grammar schools and grant-maintained integrated

schools, we can deliver cost savings much more efficiently than a centrally controlled system.

Equally, I caution against making economies in ICT roll-out. If we are in older buildings and managing with less, we need to keep our young people abreast of modern technology in order to service their needs. We must create a virtual experience to match that provided in any of our competitor countries.

Mr Oliver Mooney (Specialist Schools Principals Forum Steering Group):

Thank you Chairperson, Committee members and fellow stakeholders. I feel like a bit of an imposter. Having listened to everything over the past hour, most of you should be brain-dead. So many figures have been mentioned, and it has been all gloom and doom.

I need to emphasise a couple points that were made, before I begin my submission on specialist schools. It is a fact that the draft Budget devalues education in Northern Ireland. Mr Jim Clarke and others mentioned the point that, at a time when England is able to sustain its education budget or let it grow a little, we in Northern Ireland are butchering it. It cannot be described as anything else. All of those who are here today, particularly the chief executives of the boards, are working in difficult situations and are trying to sustain things with very little people at their disposal. All the jobs are still there, but fewer people are doing them. There is no CASS any more or support for teachers and pupils in schools; all of that is gone. We are in a kind of limbo in which we do not have a new system and we have very little of the old system left. That is not fair on the children or the staff in our schools.

There is a submission from the Specialist Schools Principals Forum Steering Group in your folders. I am here to represent that group, and I want to thank my colleague Johnny Graham who sent in that submission. All the points are in there and I do not need to read through them again. As I said, you must all be brain-dead at this stage, so the submission is there for you to go over in your own time.

The specialist schools programme is different here than it is in England. When the programme was moved here initially I went along and listened to what was going to happen, and I waited 12 months before applying for it. I was unsure whether it was a model that I wanted to be

associated with, because I thought that it was going to be the English model. Thankfully, it was not; it was a new model for Northern Ireland. Through that programme, we have had the opportunity for schools to show their excellence and to share that excellence with other partner schools. It has allowed primary schools, secondary schools and grammar schools to work together. Area-based planning was referred to earlier, and the specialist schools programme has fitted that very well. It also fits very well with the ALC model, because it spreads good practice.

At a time when CASS is gone, the specialist school programme is also going. On 31 August it will be over and done. We had an undertaking from the Department of Education that it would work hard to create a new programme or model to replace it. I have seen no sign of that. I do not think that it is there. Everybody has been too involved with, I suppose, the recession and the hard lessons of life that have been going on to work on that. That means that we are now facing into a limbo for schools.

This room is full of people of influence, not just the Committee members at this end but the stakeholders behind me, so I am appealing to you to try to bring pressure to bear for education to get a fairer slice of the overall Northern Ireland Budget and for some monies to be put back into the specialist schools programme, to allow it to fill the void at a time when there have been all sorts of division over the issue of transfer and admissions. The specialist schools programme works across sectors and phases. Teachers, principals and children from all sectors come together to work and learn and build a new Northern Ireland.

The funding cuts that we are looking at will damage every future in this room, because it is the children going through schools at the moment who will be paying our pensions and for social services and education. We need to make the young people coming out of the system as good as possible. The specialist schools programme can help to do that.

I am from St Paul's High School in Bessbrook, which has just over 1,500 pupils and 100 teachers. When I am looking to talk to someone about a school issue, I lift the telephone to talk to John Wilkinson in Dromore or some other colleague around the North. We share our experiences. We have built up those relationships through the specialist schools forum. The forum works with communities as well as schools. There is a community outreach. Half of the

money given to schools has to be spent on community planning. You are bringing adults into school and bringing children out into the community. The benefits are huge.

There is an opportunity here to avoid that limbo for young people and teachers. There is enough doom and gloom. As school principals, we realise that there will be cutbacks, and we will do our level best to deal with them. It will be difficult. We are looking at redundancies and a lack of packages for older teachers to get out — get me one quick, I am here and waiting. *[Laughter.]*

We need to be sensible about cuts. We can cut until we cut to the bone but the damage done will not be easily repaired. If the specialist schools programme is done away with and nothing is put in its place, and there is no CASS — that is nobody's fault, the funding is not there for it — where is the support for schools?

I will stop at that. You have heard a lot today. The submission is there for you to read in your own time. Thank you very much for this opportunity.

The Chairperson:

Thank you very much, Oliver. Some might argue, about the politicians anyway, that we were probably brain-dead before the meeting commenced. That may be some comfort.

Mr Seamus Searson (Irish Congress of Trade Unions):

Thank you very much for inviting us. The Irish Congress of Trade Unions (ICTU) represents the vast majority of those who work in the education sector. We not only work in the sector, we use it. Our families and friends are part of that sector, and we care deeply about the future of the education sector.

The cuts that are being tabled are unnecessary and could be dealt with in other ways. What we should really be doing in this time of hardship is investing in our education system. If we are to move our economy forward, investment in education is essential. Trimming at the edges does not do us much good. We need to look at the bigger picture. We hope that at the end of today the Education Committee will be arguing for more money for education rather than just trying to deal

with what we have been given.

Investment in education is the way forward. We need to have a vision of what is expected of our young people in the future and how we get there. We need a strategy to do that, a way forward. We are in-between at the moment. We do not have a way forward. We think that we have but we need a lot more work on that. We need to invest in schools and the people who work in schools: teachers and support staff. Their development is essential if we are to meet the challenges of the future.

As I said, the strategic plan is a major issue. We need to know where we are going and we need a body that will take us there. We need people who can go past the red tape and the various interests and identify a school system for the future. We also need that body to identify and fund educational need. Money needs to go where the need is. Unfortunately, that is not the case across Northern Ireland at the moment.

There will be a cut in the aggregated schools budget. It does not face its biggest cut in the first year, but there are bigger to come in years 2, 3 and 4. That will have a direct effect on the quality of education for our young people. As colleagues who spoke earlier stated, the majority of the coming cuts will be in staffing: teachers and support staff. That will result in increased class sizes and less preparation and planning time, and, undoubtedly, education provision and young people will suffer.

We agree with colleagues who spoke earlier about the LMS funding mechanism. It was introduced in 1990 and we need to properly review how money gets to schools and how it is used, because we must address the matter of wastage in the system. ICTU advocates an urgent review of the funding mechanism.

There need to be suitable school buildings for young people to work in. We need to make provision in the plans for that. We can understand moving the capital budget, in the first instance, to support the schools budget, but we need to have a plan for the future on that point. We are worried that things will become very difficult unless we address those important issues.

I thank the Committee for allowing ICTU to come in after hearing other witnesses' speeches. That gives us the advantage of hearing what everybody else has said. I speak as a teacher and a member of the ICTU committee. Paddy Mackel, from the support unions, will comment further.

Mr Paddy Mackel (Irish Congress of Trade Unions):

I am from the Northern Ireland Public Service Alliance (NIPSA), and I speak on behalf of the non-teaching unions. The trade union movement, which represents more than 237,000 workers in the North and tens of thousands in the Department of Education, is of the firm opinion that this Budget should be unnecessary. Money is available to meet the shortfall. These cuts are unnecessary, as are the inevitable job losses.

ICTU's publications and those of the Trades Union Congress outline clearly the alternative to this attack on public services and on workers, which is an ideological decision that will impact on almost everyone in this community. Tax avoidance and evasion are not myths. In one sense, therefore, in our view, today's debate is the wrong one. We should debate how we can work together to convince the Treasury that it needs to tackle the inequalities in society, and how we can refuse to implement budget cuts that will make ordinary workers pay for the disgraceful behaviour of bankers and speculators.

That having been said, I know that individual unions will make their own written submissions on the budget, and I will comment on just a few of the issues in the draft budget. It talks about investment in education. The draft budget lacks clarity on how the strategic priorities in education can be achieved against the backdrop of a number of things. There is an absence of workforce planning for schools' teaching and non-teaching staff.

A contradiction in the draft budget suggests that special educational needs will be protected at the same time as it is proposed to cut the capacity-building funds and professional services. There is a heavy reliance in the draft budget on issues that are not guaranteed and are outside the Department's and the Minister's gift. It is suggested that £41 million be moved from capital to resources, although it is not clear whether that is possible. There is talk about tapping into £800 million of unallocated funds, but it is not clear to what extent that will happen. There is also talk about £180 million in savings from the aggregated schools budget. Fewer larger schools do not

happen by themselves. Failure to realise those moneys will have a devastating impact on education provision and our members' jobs.

The absence of a transparent strategic plan has left our members fearful for their jobs. They are concerned about widespread redundancies, job security, location of jobs and their prospects for years to come. Vacancy control, which has been going on for years, needs to stop now. We need an agreed approach on how to deal with its legacy. Our members deserve to be treated fairly on that issue.

When it comes to quality of education, not a small part in its delivery is the provision of school meals. It seems contradictory to suggest that the free school meals criteria will be extended while, at the same time, suggesting that savings will be made without impairing the quality of school meals.

The unions do not accept that it is possible to maintain or enhance the quality of education when the budget is to be cut by the magnitude proposed. It is impossible to envisage how cuts in the number of teachers and classroom assistants can be avoided, and they will undoubtedly lead to the diminution of education provision for young people, many of whom have special needs or come from vulnerable backgrounds. In our view, the future of this society hangs in the balance.

While we stumble between political fallings-out and inter-community strife or, at best, separation, there is a lack of community buy-in to the Stormont experiment. As politicians, you need to demonstrate that you can make things work for the whole community. If you do not, you will condemn young people to repeat the mess that, collectively, we made of the past. For young people, education is a passport to the future, and that passport does not have a crown or a harp on it. Young people need you to reach a collective, cross-party agreement on a vision for education. In our union's view, the draft budget falls significantly short of that vision.

The Chairperson:

Thank you. I welcome Aidan Dolan to conclude ICTU's presentation.

Mr Aidan Dolan (Irish Congress of Trade Unions):

I am from the National Association of Head Teachers Northern Ireland, and although it agrees with the inputs from ICTU on the budget, we want to bring up just one area: the local management of schools. This point relates specifically to how schools are managed, which is not our only concern, but it is the only one that I want to mention today.

There appears to be a queue of people who want to sink the knife into LMS. We caution against ending it. If you look at places that have come through poor economic times and now have high quality education systems, such as Finland, Alberta in Canada and Singapore, you will find that one of the things that authorities in those places did was increase schools' autonomy and local management. Yet, today, we have heard calls for an end to the local management of schools. The National Association of Head Teachers is opposed to that, because we believe that local management is a form of local democracy that extends decision-making powers to schools.

Earlier, we heard a suggestion to have a centrally imposed pupil:teacher ratio. We are absolutely opposed to such centralism. Over the years, schools have made their own decisions about such ratios. If the decision is centralised, which one will be picked: the highest, lowest or one in the middle? Why should school governors and head teachers not make the decision?

The document from the Department is critical of LMS in a very obscure way, and, until today, we were not aware of the head of steam that has been building up among organisations to end LMS, so the National Association of Head Teachers is glad to have the opportunity to say that it does not support such a move.

The Chairperson:

Seamus McAleavey, the chief executive of the Northern Ireland Council for Voluntary Action (NICVA), will conclude this afternoon's presentations. We are very glad to have Seamus with us to bring this part of our deliberations to a conclusion.

Mr Seamus McAleavey (Northern Ireland Council for Voluntary Action):

Thank you, Chairperson, for the invitation to come here today. I will begin with a few background comments. In my letter to you in August 2010, I noted that, on the basis of research

that we had carried out by Oxford Economics, we were probably looking at a deficit of £1.2 billion. Only weeks later, I revised that figure to about £2 billion, and, since then, the Executive have been talking about a cumulative effect of £4 billion. The first thing that we have to recognise is that, with his settlement for Northern Ireland, the Chancellor has put the Executive in a very difficult position. We do not think that that situation is likely to change any time soon, so we recognise the position that Ministers and Departments are in with regard to public expenditure.

NICVA has around 1,000 member organisations, covering the full range of voluntary and community activities and relating to all Departments and their agencies. We have tried to take a holistic overview of the Budget process, and we are responding to all Departments about the issues. We organised pre-consultations in August and September. I was delighted that Department of Education officials, led by John McGrath, who is here today, spoke to our organisations that were interested in education. We have had further consultations on the draft Budget, in which departmental officials talked to our member organisations, some of which are here today and have made submissions to you. They will also make submissions to the Minister.

I have presented you with a paper that highlights some of the issues that directly affect organisations. I will talk about Young Enterprise as an example of where voluntary organisations that are involved with education find themselves. In the Department of Education spending plans, we noted the impact of the work of Young Enterprise, which is supported by the business community to raise standards and develop in young people the skills that they need to succeed in the workplace, such as communication, self-confidence, creativity, teamwork and an ability to respect diversity and get on with others.

Young Enterprise Northern Ireland is a voluntary organisation that receives £650,000 in funding and delivers business education programmes to 46,000 students in primary and post-primary schools across Northern Ireland. It has exceeded all its targets, and it delivered a programme last year to 90,000 students. Quite often, voluntary organisations do not know where they stand at the end of March. Those sorts of organisations do not carry a lot of reserves, so they find it very difficult to take the risk as to what happens next. Quite often, they sit in a very precarious position even though they provide good added services to the education system.

NICVA agrees with the Minister that, in meeting the challenges of the budget, the focus should be on maintaining funding for raising standards and delivering services to the front line. That should be the focus across all Departments. We are pleased that the Minister has selected a number of key areas to be afforded special protection: special educational needs, extended schools, post-primary school counselling and early years. Those are crucial to ensuring equality of access to education and in making sure that children and young people are able to make the most of their time in school.

We support the extension of free school means entitlement to include Key Stage 2 pupils, but we recommend that you consider how that is advertised. One of the things that we find across the board in our advice organisations is that, quite often, people do not know about the entitlement that is available to them. I am sure that you find that too. A lot of people do not pick up on the entitlements that they should have. Making people aware of that is crucial. We also support the Minister's call to ensure that schools are allowed to continue to use the accumulated resources. We, like others, have great concerns about the Treasury changes to end-year funding rules.

The other issue for us, which has been mentioned today, is spending on home-to-school transport. It raises important questions for all children, particularly children in rural areas. We know that that is a much wider issue and has a lot to do with the choices that parents make about where they send children to school. However, like others have said, there could be a radical rethink about how children and young people travel to school. It should include an analysis of all government-funded transport services in rural areas to avoid overlap and to determine which services can be shared. A lot of savings could probably be made in that area.

A big area of concern for our sector is youth services, particularly voluntary youth organisations, which play a big part in the delivery of those services. At our recent meeting, NICVA officials assured people that the youth provision was to receive some protection and that the only reason that it had not been mentioned was that it was not going to be altered. That is critical. As it stands, the funding of those services is not great, yet they play a big part in the life of young people in Northern Ireland.

From our sector's point of view, it is critical that the Northern Ireland Executive make their key priority decisions across Departments. One thing that we worry about is the cumulative effect or impact of cuts. European social funding to voluntary organisations in the Department for Employment and Learning will be reduced by 25% in the coming year. The Department for Social Development's neighbourhood renewal programme also provides some of those voluntary and community organisations with what is, effectively, match funding. That is likely to face a 10% reduction in programme costs, which will have an even bigger impact. It is important to know how things will impact across Departments.

We are calling for the Northern Ireland Executive to agree all Budget decisions together. There is little point in allowing individual Ministers to take the rap for very difficult decisions and allowing all others to then have a go at them. A collegiate response is absolutely important.

The Chairperson:

Thank you, Seamus. I want to express appreciation to all who have contributed today. Many issues have been brought to our attention today that are invaluable in giving us an understanding of the impact of the proposals in the draft budget. I appreciate the openness and honesty that people have shown today, and, if we could harness all the ability and expertise in the room in a meaningful and purposeful way, I believe that we will be able to resolve many of the problems that have proved difficult.

We now want Committee members to have an opportunity to ask questions about particular pressing issues that have been raised during the presentation. I urge members, myself included, not to go from Belfast to Baghdad but to try to keep focused. I will only ask one question for fear of being reprimanded, as I occasionally am.

My question is to Jim Clarke. The reason for the question is not because of the sector — in case anyone thinks that there is anything in relation to that — but because it follows from Aidan Dolan's point. Aidan made a very valuable contribution to the discussion on LMS. The presentation from CCMS says:

“encourage schools to be more independent and interdependent in professional development”.

Is that similar to and aligned with the voluntary principle? Is it akin to the concerns that Aidan

has made reference to? I thought that he gave a very useful definition of LMS as a form of local democracy. Is there a model or a method in there — whether you call it LMS, the voluntary principle, or independence — that allows schools to manage their own resources?

Mr J Clarke:

First, LMS is a mechanism to fund schools. We need to change the formula that is used to fund schools because, as things stand, we have imbalances. However, if we have priorities, LMS funding ought to promote those priorities, and we certainly see the entitlement framework as one of those priorities. However, it needs to be a little bit more challenging to schools, to make sure that a wider range of choice is made available to young people, so that the kinds of courses that will be needed to develop our economy are in place. To do that in current arrangements, we need a degree of collaboration.

Clearly, larger schools are more cost-efficient. I would describe the wider issue as accountable autonomy. Both Aidan and Oliver made a number of very important points about the breadth of influence that we need in our schools and the importance of funding to support some of those influences. CCMS follows the Bain line; we think that more money ought to be given to schools. However, we also recognise that the savings proposals will decimate CASS and aspects of the Regional Training Unit and the CCMS.

Much of the support that is going into schools now will not be available in the future. Therefore, it is imperative that schools recognise the professionalism that exists in their staff and in the staff of other schools, and then go to other schools for support instead of to the boards. It would be desirable if those schools were neighbouring schools. That would mean that we would not see schools in competition but, rather, schools collaborating for the better outcomes of young people and to save resources.

Accountable autonomy is, in a sense, based on the voluntary principle, and we expected some proposals on accountable autonomy and more flexible governance in the education (No. 2) Bill. Schools need to be empowered. That includes giving them some resources to allow them to promote their own professional development, when that level of support is likely to be less available through the education and library boards and the CCMS.

The Chairperson:

Unless anyone wishes to comment on that issue, we will move to another question.

Mr D Bradley:

I have a question for Stanton Sloan on special needs. Stanton, you mentioned that it costs £2,500 to statement a child and that that process is long and bureaucratic. Can that bureaucracy be slimlined within the current legislative framework? Would the statutory rights of children and parents be infringed if appropriate legislative changes were not made?

Mr Sloan:

It will require legislative change. It will also require a change in the code of practice, which currently specifies a five-stage statementing process and a time frame for that. We also need to change mindsets. We have gone from the position when I started in education of people not wanting a statement, because it was a stigma, to one in which it is almost seen as a badge, as it attracts money.

In 95% of cases, agreement is reached between the statementing authority, which is the board, and the parents. Without all the bureaucracy, statementing could be completed more quickly. It would also allow us to build trust, through voluntary agencies and charitable organisations, so that we are all working in the best interests of children. If one extrapolates from the South Eastern Education and Library Board to the other boards, we probably have around 17,000 special needs pupils here. If it only cost £2,000 per statement, we would still need to spend £34 million statementing those children. There must be a better way.

The SEN review was undertaken, but it has now slowed down. I heard some of the comments about capacity building in schools. However, there is already a process in train in schools that could be tapped into, which would allow for the necessary changes to be made quickly. That would also allow us to retain the confidence of parents and the various pressure groups that support them.

Mr McArdle:

There is a model that would not necessarily require legislative change. GTCNI brought across specialists from Oxfordshire and invited a variety of individuals to meet them. The model that they advocated was one in which money was delegated to the schools, with parents voluntarily setting aside the legal requirements and going along with things with the understanding that their child's needs would be met without a protracted process. That model seems to have saved considerable amounts of money. The groups that met in our offices were extremely impressed by that model and thought that it was worth considering.

The Chairperson:

Eddie, can you forward information on that model to the Committee?

Mr McArdle:

I will get the Committee some papers on it.

Mr O'Dowd:

During the presentations that were made by the chief executives, Shane referred to a freezing of EYF. If I attributed those remarks incorrectly I apologise, but it was either Shane or one of his colleagues who said that. Will you elaborate on what you meant by that?

Mr McCurdy:

In the context of what has happened in the last few weeks with regard to the guarantee to EYF that has been given to schools, it is basically putting in place an alternative model for the short term to allow us to manage through the present process but guaranteeing that the schools will have continued access to the surpluses that they have accumulated. It is just a matter of setting a time frame within which present surpluses will be managed in a longer process.

The Chairperson:

Thank you. Does anyone else want to comment on that?

Mr Cargo:

I want to make a point of information that will elaborate on Stanton Sloan's point. A statement is

only for one year. There is an annual review of every statement that the board has. That annual review is generally carried out with the agreement of the parents and, where everyone is in agreement, it is a swift process.

We are saying that that annual review process, which is based on trust and agreement, should be built into the process. Many parents come to us, knowing largely what they want and where they can get it. However, there is a 1986 Order that requires them to wait for a month before they can do anything, and they then have to go through a fairly formal process. If there were ways in which we could amend that, it would reduce time, bureaucracy and get the child what he or she needs much more quickly. That would bring into play significant savings that would obviate the need for more draconian and drastic measures.

Mrs M Bradley:

The first person to mention my concern was Barry Mulholland, chief executive of the Western Education and Library Board, although others, such as Evelyn, also mentioned it.

My concern is school transport. I have always believed that school transport was a very necessary thing for getting children to school and back, particularly in rural areas. We must also remember that we have people who live in large housing areas, which are classed as part of the city but are quite a bit out of the city; perhaps two, three or four miles. In the area that I represent, in the mornings the biggest, heaviest transport that we have is children being taken to schools outside the area. We talk about area planning. We could not plan for our children in our area because we do not have the proper schools in the area. If school transport were taken away, how would people feel about it?

The Chairperson:

Does anyone want to pick up on transport in particular?

Mr Cargo:

I will make a point. We purposely avoid school transport because, as I think Seamus McAleavey said, the issue of school transport is part of a much wider debate about a public transport system. Ulsterbus effectively generates 34% of its income from children travelling to and from school.

Irrespective of what might be done, many of those children will still need some form of public transport to get them from where they live to school. That is Mary's point. There is a danger that the Committee views the transport issue as purely a school issue. Our experience over many years is that if you try to cut the numbers of children who are on buses, the price of the sessional ticket tends to go up because the school population is part and parcel of a wider transport system. The Department of Education and the Department for Regional Development and a number of other Departments need to look at the whole transport issue. Therefore, it is a much wider issue than simply putting children on buses and getting them from A to B.

Lord Empey:

Chairman, you said that we should ask one question and I will stick to that, albeit it will be one with 25 parts. To follow from what Mary said, Seán said that transport was "grossly inefficient". Will he please elaborate on that? I then have a further point for Gavin.

Mr Ó Coinn:

Our experience in the Irish-medium sector, which is reflected in some of the other sectors, is that there can be a bus with some empty places passing children going to an Irish-medium school, but those children are unable to avail themselves of those spaces. It is almost impossible to reconfigure existing bus routes because of their historical nature and the custom and practice related to them, even though they have become inefficient. I do not have enough detail to explain where all the inefficiencies are, but our experience is that it is very difficult for children in the Irish-medium sector to avail themselves of the existing transport service.

Lord Empey:

A lot of people referred to the ESA in their submissions. Gavin is not here with that hat on but could he, John or anybody else remind us of the estimated set-up costs of the ESA? I believe that those would have to be taken into account in the current climate.

Mr John McGrath (Department of Education):

I do not have the figure to hand. I think that that was covered in a recent Assembly question. I do not want to venture a figure because it could be wrong but it was the cumulative figure for

Gavin, his staff, set-up costs and work over the past three or four years.

Lord Empey:

I recall a figure of about £5 million. However, what I meant was that if you create a new organisation and fold the others into it, there is normally a cost associated with that exercise. That is what I was getting at, not what has been spent to date. If you do not have the answer now, maybe you could write to the Committee.

Mr Boyd:

I can give you that answer. The business case envisaged that 463 posts would be suppressed. The total amount that was set aside for that was, I think, £42 million. However, there was additional money on top of that. I will write to the Committee about that.

Lord Empey:

I am just trying to get a sense of the cash flow for that over the period. There are always costs in creating a new organisation, whether for premises, redundancies, suppressing posts, equipment or training. That is not done for nothing and it takes time. By all means write to the Committee.

Mr Boyd:

I will write to you. However, the original business plan projected savings of £20 million per annum with a two-and-a-half-year payback.

Mr B McCrea:

I want to ask a question of the education trade union group, notwithstanding Paddy Mackel's analysis that a lot of money could be relieved from elsewhere because of tax avoidance. It looks as if substantial redundancies will be coming through no matter what we do. Would the trade union movement consider a reduction in pay for teachers and other staff as an alternative to redundancies?

Mr Mackel:

I do not need the mic to answer that: the answer is no. You cannot ask workers to pay for somebody else's mistakes. That is our position. We have papers on that and will share them with

the Committee. We have a clear alternative to what is going on at the moment. The Committee is being forced to look at how you carve up a budget that has been sliced because somebody else made a mess of the economy. We are saying that we are not going to pay for that.

Mr B McCrea:

Paddy, I did acknowledge that you made the argument. I know the argument that NIPSA makes about the money being available elsewhere, but as you just said, the Committee and Assembly will have to make reductions with a budget that is 80% staff-orientated. With £150 million of cuts to be found next year, you cannot avoid the fact that there will be massive redundancies.

We are talking about moving capital into resources to try to see this off. Is there not a better way? Instead of increasing the pupil:teacher ratio, putting people through the trauma of redundancies and taking teaching away from our children, could we not find a way to do it better by agreeing a different payment schedule through negotiation and understanding of where we go in the future? For some people, that is a better option than making people redundant. Is there no debate to be had on that? After all, that is what people in the private sector have had to deal with.

Mr Mackel:

Certainly, from a trade union perspective, the private sector and public sector are at one on the issue. What you are really asking me to do is to rehash the answer that I have already given you. The starting point is wrong. What you are asking workers to do is to pay for somebody else's mistakes. It is not fair to ask workers to take a pay cut rather than lose a job. What is fair from our perspective is to ask politicians to do what people have elected them to do. I accept that, as a Committee, you have a responsibility to scrutinise the budget. I am not the politician here. I represent our members. What we are trying to do is protect our members' terms and conditions, and quite rightly so, because it was somebody else who made a mess of the economy.

Mr John McAnulty (Irish Congress of Trade Unions):

I am from the Irish National Teachers' Organisation. The fact is that last year, we got a 2.5% pay increase, with inflation running at about 4.5%. We face a two-year pay freeze, which, given those circumstances of inflation, is, effectively, a cut. The British Government have announced that they intend to impose another 3% pay cut — that is, a pension levy — on us in the near

future. That will go on top of a cut in pension rights, which we estimate will add up to around £70,000 per teacher. Maybe Basil would like to put some figures on the number of cuts that he would like us to take.

The Chairperson:

Seamus, do you want to comment?

Mr Searson:

I do not want to prolong my answer: very simply, it is no. Our members do a good job. They get paid the going rate for the job. That is important. If you want an education system for the future, you have to invest in it and make teaching and support staff posts attractive. If you start cutting salaries, you will drive people away. We cannot afford to do that.

The Chairperson:

Just one more comment, Basil. And keep it brief. *[Laughter.]* Maybe that is impossible, but try.

Mr B McCrea:

I will be brief. People seem to think that I am forcing that decision on you. All that I can tell you is that a reality is coming to you pretty soon. In two or three months' time, redundancies will start rolling. You talk about numbers. The poverty and social exclusion report states that the largest cut is to the Department of Education, £268 million; followed by the Department of Justice, £176 million; the Department of Health; £125 million; and the Department for Regional Development, £118 million. The cuts are coming.

I have to say to you that there is a huge problem with the structural nature of education. To simply say that you will not accept cuts is not an answer. We have to find the right way to manage the situation. When it comes to people saying that they do not have enough money, I do not understand how Northern Ireland seems to be underfunded in health, education, and everything else. We have to make decisions. People ask politicians to be responsible, to stand up and be politicians. I have to tell you that we are not in this alone. We are all in it together. We have to negotiate on the right way forward.

Miss McIlveen:

Chairman, with your indulgence, I would like to ask a few questions. David Cargo, in your presentation, you mentioned that 450 staff are interested in the voluntary severance package. Obviously, £25 million is available for that. Of those 450, how many are likely to be offered a package? Will that £25 million cover it? How will that affect the service that you provide?

Mr Cargo:

We have not quite finished the business case. Perhaps I should caveat my remarks by saying that there are a number of givens in that process. Boards have always downsized on the basis that rather than cutting services, you try to sustain what is important to you. Therefore, we have tried to approach the exercise by first looking at business continuity, to ensure that all services currently provided continue in some form. Secondly, we have looked at whether it is possible to do things differently. For example, at present, a number of us share services. We have restructured in that way. By restructuring internally at particular times it is also possible, by suppressing a post and giving a small amount of money to a couple of other people, to get most of the work done. That process is ongoing, and each of us is bringing proposals to our boards that will then go the Department for approval. At the moment we have money; it is an additional allocation.

Until someone accepts a formal offer, the process of voluntary severance is not complete. However, we are looking at a ballpark figure of somewhere between 150 and 200 posts possibly being suppressed across the five boards.

Miss McIlveen:

When will that process be complete?

Mr Cargo:

It has to be completed by 31 March.

Miss McIlveen:

My second question is to Stephen McConnell, because his presentation was cut short. What impact will the removal of funding for substitute teacher cover have on the process of primary

principal transfer interviews?

Mr McConnell:

There is an obligation for children to be transferred from the primary sector to the post-primary sector. This year, because of the Minister's directive, no funding was given for substitute teachers. Two systems were running in tandem: the GL assessment and the AQE system. A number of primary school principals were put in the invidious position of having to do those parental interviews in advance of the test results coming out on 4 February. That is a nonsense. If there is a system whereby children have to transfer from the primary sector to the post-primary sector, surely everything should be done to assist primary school principals and parents in getting children through that process.

One thing that we support is the flat rate for substitute cover. As was said in our presentation, the flat rate for substitute cover could allow the Department to fund the reduced substitute cost for primary schools, to let substitute teachers come in to facilitate principals in that regard.

Mr Craig:

My question is for Seán Ó Coinn. When making his presentation he came off with the very intriguing statement that we would all have to look at alternative school newbuild ideas. I am curious to know what he meant by that. Other ideas, such as the private finance initiative, have been tried, resulting in some spectacular disasters.

Mr Ó Coinn:

In the Irish-medium sector we have been able to fund some capital projects that have been funded not by the Department but by the Trust Fund for Irish-Medium Education. Those projects have been effected much more quickly and cheaply than they would have been if they had gone through the normal building handbook used by the Department. The standard may not be exactly the same as the standard in the Department of Education's handbook. Nevertheless, those school buildings are adequate for purpose, a high standard of school accommodation and have a relatively long shelf life.

Mr O'Dowd:

Supplementary to that, I have a question for the departmental officials, who may not have the figures with them. The issue is the process of school builds, the length of time that it takes for a school to be built and, within that, the economic appraisals of schools that may not be built for 10 to 15 years. Have you any idea of the costing around that process?

Mr McGrath:

We could be spending millions on doing some early preparatory work, including economic appraisals for schools that could be some way off going on site. We could be spending upwards of £20 million on economic appraisals in a normal year. We have concerns that the current system, which is undoubtedly slow and unwieldy and needs to be re-engineered, should not have us spending that amount of money on schools that might be four to five years from going on site or, in the current predicament, five to 10 years from going on site. By the time that those schools get that far, the original economic appraisal will probably be out of date, and even the pattern of provision being planned for could be totally different. Seán is right; it is slow and unwieldy. However, we need to not spend so much money up front. Spending that amount of money up front on schools that are a long way off means that we will have less money to spend on the ones that are ready to go.

Mr Craig:

I find the whole trust funding idea intriguing, because it opens up a different avenue for getting capital. Do you agree that, if there is an existing school that could be utilised, it would be financially suicidal to build a new school in very close proximity to that?

Mr Sloan:

That has already been done very successfully in a high school in Donaghadee. We were waiting for a new special school in Killard House in Newtownards. A new school will cost somewhere between £4 million and £5 million. The Department, the school and local politicians worked with us, and we ended up with a school that is fit for purpose and was refurbished for the grand total of £600,000 rather than nearly £6 million. If you asked the principal whether he would take a new school or stay where he is, there would be a long silence and you probably would not get an answer. So, as Mr Craig suggests, there are other ways to do it, and there are successful

examples.

Mr Craig:

I just wish that all sectors would buy into that concept.

Ms N Campbell:

The issues under discussion have, quite rightly, centred on tinkering with the situation. We are facing a very drastic situation. John used the word “re-engineering”. At the same time as looking at how we can best be cost-effective at the moment, we need to look at how we can prepare ourselves so that, in five years, we are not still in this situation. If we had acted on Bain five years ago, we would be in a much better position to deal with the situation that we are in. We should not say that, because the problems that face us today are so huge, we should deal with them in a piecemeal way. Instead, we should ask how we can deal with them in such a way to ensure that, in the future, we continue to be cost-effective and meet the needs of our society. How will we deal with a small rural town that, at the moment, has two schools, one controlled and one maintained, neither of which is sustainable? Will we put those children into buses and send them to the closest controlled or maintained school that is sustainable, or will we tell the schools to get together and find a means of sharing, sustaining their community, learning with and from each other and being cost-effective for the future? The crisis gives us an opportunity. As well as dealing with the crisis as we face it, we need to look to manage that opportunity as well.

Mr J Clarke:

We can have a discussion about school buildings and the mechanisms for school buildings, but, as I said earlier, because of the imperatives of reduced resourcing, we need to take a radical look at how we deliver education in Northern Ireland. That means, in my view, that we look at all the policies that impact on how we deliver schools, one of which is the sustainable schools policy, which, in practical terms, will not build sufficiently large secondary schools to enable us to deliver the entitlement framework in-house. Some of the figures for primary schools could be lower and still deliver services. We have to recognise that the transport issue needs to be taken alongside the issue of the availability of schools, as does the concept of community education. That may overlap with some of the points that Noreen made. However, economies of scale are

economies of scale. It does not matter whether it is within sectors or across sectors; that is the first thing that we have to look at.

Another important issue is that, if the Department has priorities agreed through a vision for education that reflects our current spending situation, the policies and priorities for expenditure on newbuild or refurbishment need to follow those overarching policies. We must remember that one of the problems that we face is also one of the potential ways to save money, which is that we have somewhere between 50,000 and 70,000 spare places, depending on which figure you use. With some reorganisation, we could utilise that plant much more effectively.

The Chairperson:

Thank you all for your time. It has been a useful meeting, and I am sure that you have heard comments from your colleagues, some of which will not have been surprising. However, the manner in which everyone has presented to us is welcome, as will be the written submissions to follow. Thank you for taking the time to be with us and for your patience and endurance.