



Northern Ireland
Assembly

**COMMITTEE
FOR EDUCATION**

OFFICIAL REPORT
(Hansard)

**Area Planning and Sustainable Schools:
Departmental Briefing**

19 October 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Acting Chairperson)

Ms Michaela Boyle

Mrs Jo-Anne Dobson

Mr Phil Flanagan

Mrs Brenda Hale

Mr Trevor Lunn

Mr Conall McDevitt

Mr Daithí McKay

Witnesses:

Mrs Lorraine Finlay)

Mr John McGrath) Department of Education

Mr Diarmuid McLean)

The Acting Chairperson:

I welcome John McGrath, Diarmuid McLean and Lorraine Finlay to this morning's Committee.

John, would you like to make some opening comments?

Mr John McGrath (Department of Education):

I would be happy to, Chairperson. I am glad to be here to talk about area planning and sustainability. Obviously, since the agenda item was originally scheduled in the Committee's work plan, the Minister made a significant statement to the Assembly on 26 September 2011. On

27 September, he came to the Committee to provide clarification on his statement and to respond to questions. As you know, in that statement, he set out a range of actions designed to take forward area planning, to shape the future pattern of provision, to tackle issues of over-provision, but, principally, to ensure that we put in place a system that will deliver quality education to children now and in the future.

The Minister announced a range of actions, which started with the viability audit that has been commissioned. I know that the Committee has had access to that audit's terms of reference, which have been made publicly available. He also announced the work on area planning that will be taken forward by the six statutory organisations — the education and library boards and the Council for Catholic Maintained Schools (CCMS) — and will involve all stakeholders. The first phase is to be over a period of six months. We think that that will focus primarily but not exclusively on the post-primary sector, in the first instance.

The Minister announced his decisions on how he will move ahead on the entitlement framework in respect of putting it into legislation. Again, we will come back to the Committee about that issue before too long. He announced the review of the common funding scheme, and he announced some changes to the formal intervention process under Every School a Good School (ESaGS). He also announced work that we will do to strengthen the oversight of governance in schools and to broaden the inspection process to take in the roles and effectiveness of boards of governors. That is a fairly ambitious programme of work, all of which aims to ensure that we have a viable, sustainable and resilient pattern of provision to serve children in the future.

Work is going ahead now. As I said, we have engaged with the education and library boards and CCMS to take forward the work on the viability audit and to move on the terms of reference. Indeed, all six organisations are actively engaged in that process, as we speak. In the next matter of days, transparency about that process should be available to a lot of the schools involved. We are working at the minute to finalise the terms of reference for the area-based planning, which the Minister referred to the other day during the debate on the motion on rural schools. Again, all that will be available to the Committee once it is finalised. We are fairly confident that the December deadline for completion of the viability audit will be achieved by the organisations involved. Apart from its own merits, the viability audit will provide a useful building block for the work on area planning.

The Minister has made it very clear that at the heart of this work is ensuring quality of provision and quality of education for children. Since the announcement, there has been a sharp focus on enrolments and on the position of a number of schools in the view that, somehow, this exercise is just about closing schools. It is not; it is about ensuring that we move from where we are now. We have discussed in this Committee a number of times the fact that we have too many schools and too many places. Delivering quality provision within a very constrained budget settlement means that there are real challenges in ensuring sustainability in the future. The fact that we have tackled challenges of viability in schools quite successfully to date does not necessarily mean that we will be able to continue to do that in the future as the budget begins to bite and the requirements on standards — for example, the entitlement framework — also begin to sharpen up.

The viability audit is essentially a stress test for schools to identify those that are currently experiencing stress because of a range of factors. It aims to identify the root cause of that stress and the proposals that are needed to alleviate it. Those proposals are not necessarily exclusively a case of “close a school”. As I said, the viability audit is not a stand-alone exercise. It will form a building block for the broader strategic work on developing area planning. The focus of that will be to determine the future pattern of provision that we want to see across all five board areas and across all sectors. The stages after that will identify how we move from where we are now to where we want to get to. Therefore, it will inform the future strategic planning of capital investment and then individual capital investments. This will get the strategic context in place.

Once plans are in place, we will look to the managing authorities to consider how they will invest and move to where they want to get to. Again, the emphasis will be on a network of sustainable schools but also on maximising the use of the existing estate. In his statement, the Minister made it clear that, given our budget provision on capital, we cannot simply have a strategy that is solely based on newbuilds. We need to think outside the box about different solutions and how to make better use of the existing estate.

That is where I will limit my opening remarks. Diarmuid, Lorraine and I are quite happy to respond to any issues that the Committee has.

The Acting Chairperson:

Thank you very much. Are you content that all sectors and organisations are in the right place and have the capacity to be able to fulfil what is required to carry out the viability audit process, given that the boards are, understandably, understaffed and some staff are acting up?

Mr McGrath:

We recognise that across the boards — indeed, in all organisations — resources are constrained and there are vacancies. However, the dialogue that we have had with those organisations over the past weeks has shown them to be confident that they can achieve what is required of them within the timescale set by the Minister. We are not asking them to start from scratch. I would expect the boards, as funding authorities, and the CCMS to know from their day-to-day work the schools that are facing difficulties. It is not as if they have to ask themselves how they will start now, but they will have to formalise it. They are working up a common template for the work, and the approach being adopted will be common across the boards and CCMS. I am confident that they are able to do it. They have indicated their confidence that they are able to do it and to do it fairly quickly.

The Acting Chairperson:

You said that terms of reference for the area-based planning were being worked up and would be given to the Committee. Can you give us a timescale for that?

Mr McGrath:

We have a big programme of work. It could be a matter of days. We have had discussions with the main organisations to get feedback on what the terms of reference might be. We are taking that forward. We will then want to share the suggested terms of reference with a number of the players before we finalise them. That should happen over the next couple of weeks.

The Acting Chairperson:

Will the Committee be privy to the draft form or the finalised form?

Mr McGrath:

I have not pinned that down yet, to be honest. We have a lot going on at the minute, and we are trying to be very conscious. Can I take that away and —

The Acting Chairperson:

We will put in an early request that we could perhaps see it in its draft form rather than it being presented to the Committee as a fait accompli.

Mr McGrath:

OK. I will take that back and convey it to the Minister. We will be moving that process on fairly quickly, so we will not be giving people weeks to come back to us with their views. We will say that this is what the Minister is minded to shape up and ask whether they have any urgent comments before it is finalised. It will be on that basis.

The Acting Chairperson:

Is that the Minister's view?

Mr McGrath:

The Minister wants to get on with this. We have had a dialogue with the main organisations about the terms of reference, and we are working to put a suggested final version to the Minister in the next matter of days. I envisage there being a very quick process of engagement with the key stakeholders. We will show them the terms of reference before we sign it off and ask whether they have any urgent comments. It would go to the Committee on that same basis.

The Acting Chairperson:

Once we start into the process, looking around the terms of reference, will the Department give additional help to those involved in area-based planning and give support where it is required?

Mr McGrath:

In his statement, the Minister indicated that there will be detailed guidance on a number of issues. There will probably be some guidance attached to the terms of reference, and there will be guidance on the entitlement framework's requirements. We will liaise with the key organisations on how they are taking the work forward. That has happened already with the boards and CCMS. Indeed, Lorraine was at a meeting with them on Monday morning. We will continue to engage with them and to provide whatever advice and assistance is required as they take the work forward.

The Acting Chairperson:

Given the debate that we had earlier in the week on rural schools, it would be remiss not to mention that there is not really any comfort given to those schools that fall below the Bain recommendation of 105 pupils. Bearing in mind the fact that quite a number of those schools were built earlier in the last century without the capacity to hold 105 children, I wonder whether any comfort will be given by the Department in relation to the numbers game, even though we are told that it is not specifically about numbers.

Mr McGrath:

It is not a simple numbers game in the sense of above or beyond. However, smaller schools clearly face challenges. In many cases, small schools can handle those challenges now. In the area-planning exercise, the issue might be whether you can guarantee that they will be able to do so in the future, given what is happening at the moment and given budget constraints. Those are the judgements that are going to have to be made.

In many areas, it may well be the case that two or three smaller schools need to be brought together into one to serve an area. The viability audit is not a list for closure. It is a list for schools that are facing issues of stress at the moment. The solution to that may well be closures, amalgamations or, in some cases, to build the school up, if possible. However, you cannot build a school up unless pupils are coming from somewhere else, so there will be gainers and losers in that.

Mr McDevitt:

I want to pick up on the basic objective or deliverables of the viability audit. I notice that the terms of reference state that the key deliverable is the production of a report that:

“identifies, based on robust and verifiable information and the professional judgement of the Boards and CCMS, all primary and post-primary schools currently facing significant viability challenges in terms of”

and then you basically list three criteria: enrolment trends; the delivery of a quality education, including the revised curriculum and the entitlement framework; and financial stability. Then you say that you want an audit that:

“categorises these schools in terms of the root cause of the problem”.

So we are going to get three lists.

Mr McGrath:

No, we are going to get one list. It will identify the root causes in each —

Mr McDevitt:

So, it will be one list, and the root cause will either be sustainable enrolment, delivering quality education or financial stability.

Mr McGrath:

We are trying to put a template around it. It could end up that in some schools there are two issues, but sometimes they come back to one. I will give you an example that a board cited. I will not name the school — I do not actually know it — but it is a reasonably sized grammar school with a reasonable number of pupils. It is a school in which there is a fairly stable teaching workforce, which has meant that everybody in the school is at the top of the scale. The school is facing budgetary pressures because of that profile. Therefore, the school has a financial problem, the root cause of which is the profile of the workforce. It is a financial issue, but when you get back to the root cause and wonder what you might do about it, you might think that it will be resolved over time, because eventually some people will retire and that will change the profile. That example shows that it is not simple.

Mr McDevitt:

I think that we will return to that specific point, but I immediately see a significant conundrum in governance on the horizon, in that the Department may have the power to identify a perceived issue, but, as I understand the governance structures in education, it does not have the power to force anyone to fix it.

Mr McGrath:

Well, no.

Mr McDevitt:

Will you point to what specific power you do have then, for example, to force the board of governors of a voluntary grammar school to do what you are telling it to do?

Mr McGrath:

As regards quality, we have some quite draconian powers. We can actually order a school to be closed. Those powers are rarely used, and rightly so. They are Henry VIII-type powers. On budgetary matters, we can be quite insistent that people stay within their deficit tolerance levels

of around plus or minus 5%. A number of those powers may have to be rigorously applied, particularly the budgetary one. We are concerned that, because of the challenging budget settlement — no doubt we will return to that — a number of schools are going to be moving into deficit. We cannot let them simply run up deficits in an open-ended way, because there is no sense of how they will be able to turn that around in the future. So, we will be policing and enforcing good, rigorous financial management, outside any of the sectors. That will be a given from now on.

Mr McDevitt:

Chair, it might be useful for us to formally request the details on each of the powers that will be available to the Department to allow enforcement or subsequent action on any of those three criteria. I am very interested in the legislative context.

I want to ask you a question about the estate. Please do not take the view — as the Minister seems intent on doing — that I am more interested in the estate than the individuals. How many of our rural primary schools are currently big enough to physically accommodate more than 105 pupils?

Mr McGrath:

I do not have that information to hand. You mean physically?

Mr McDevitt:

Physically, yes — the building.

Mr McGrath:

I suspect that there are a lot that cannot, because the smaller schools were built for small numbers.

Mr McDevitt:

Can you tell us exactly how many rural primary schools in Northern Ireland would be able to hold more than 105 pupils?

Mr Diarmuid McLean (Department of Education):

We do not have that information with us, but —

Mr McGrath:

We will see what we can do.

The Acting Chairperson:

It is important that you get that information to us, especially given the debate that we had earlier this week.

Mr McGrath:

Even if all those schools were bigger, you would still have to work out where the pupils would come from. So, it is not a matter of simply saying that.

Mr McDevitt:

I am not saying that. I just think that those would be useful data.

Finally, I would be interested in the witnesses' opinion on exploring the federation model more closely, given that it delivers the opportunity for efficiency and saving at management level while preserving a local physical presence. Furthermore, do they believe that there is any current statutory impediment to shared-faith federated schools emerging?

Mr McGrath:

Lorraine can say more about this, but, as things sit in legislation terms, there is very little scope for federations except at primary level. We were already trying to do some work to explore that issue anyway. However, it is only at primary level that we can do that sort of exercise now. You are right: clearly, there are advantages in some cases. There may not be huge savings — we may be talking about only a shared principal at primary level — but that does not necessarily mean it is not a good thing to pursue to have the physical presence. It would also mean a single board of governors in many areas. Being on a board of governors is quite a challenging role at the minute, and we are finding difficulties. So, there are advantages to some sort of federated model, but I would caution that it will not be a magic bullet to ensure that many schools with small numbers can stay where they are, because there are still the educational issues.

Mrs Lorraine Finlay (Department of Education):

We looked at this in respect of federations in the primary and post-primary sectors. The current

legislative position is that two or more primary schools can form a federation under one board of governors. However, the same legislation does not apply to post-primary schools. Depending on the management type of the school, there is also a schedule of who can be on the board of governors and the apportionment of places to parents and different representative groups. That would be set in legislation, so may need changed.

Mr McGrath:

We would be interested in exploring the scope to bring some legislation to allow us to come up with more creative models. I will not specify schools, but it may be the case that a school is in formal intervention, has performed badly over the years and is clearly not capable of being turned round as it sits but you need a school in that place. The issue is leadership and management. You may want to come up with the solution whereby you bring it under the wing of a nearby school. That is an example of a much more creative model. As I said, the solution will not always be to close a school. It may be to start afresh — to technically close it and re-open it under new leadership and management or to bring it under the wing of another school. Certainly, we would like to explore getting more flexibility in that area. Therefore, we may, in that context, be able to suggest to the Minister that legislation could be brought forward to create the scope to do things such as that because we are quite constrained legislatively at the minute.

Mr Lunn:

I am very happy about the viability audit as a concept.

Mr McGrath:

As a concept.

Mr Lunn:

Yes. I have concern about the boards and CCMS being asked to work in close conjunction to produce the viability audit. It seems to me that the boards will do their own audit of their schools and CCMS will do its own audit of its schools. What does close conjunction mean? Does it just mean that they are working to the same terms of reference and template?

Mr McGrath:

Well, first of all, they are the statutory bodies with responsibility in this area. The boards have overall responsibility to ensure that there are sufficient places in an area. CCMS has a subsidiary

role in that with regard to the maintained sector. The fact is that they have been sitting down in recent weeks. They have agreed a common approach that all bodies will take. They have shaped a template that will be the basis for that. Therefore, they are working as one at present.

Mr Lunn:

Where does it lead? Obviously, what we are looking for is an area-based plan that has input from the boards and CCMS. Will they have to agree at the end of the process? Will the Department have to take all the information and the detailed area profile, as it is called here, and disseminate that into a plan? Or will it get recommendations from the boards and CCMS jointly on what will happen to certain schools by agreement between those bodies?

Mr McGrath:

We expect that a certain area plan will eventually come in from the relevant board. It will reflect input from CCMS as the other statutory body. It will be the summation of all the work that they have done, particularly the board, for schools in the controlled, maintained, voluntary grammar, grant-maintained integrated and Irish-medium sectors. It will reflect a comprehensive approach.

Mr Lunn:

An agreed approach.

Mr McGrath:

Yes.

Mr Lunn:

All schools will be subject to that viability audit. However, at present, some schools already appear to be under threat. I will not name particular schools. If a school has been advised by the board that it is currently under review or that a public consultation exercise is about to start — even though the school is above the numerical threshold for an urban school, in the case that I am thinking of — will that process be put on hold pending the viability audit or will boards be allowed to blunder on even though they will have to do a further viability audit between now and Christmas?

Mr McGrath:

No. The Minister's view is that, if the board or whatever organisation has already done

appropriate diligence and has formed its own conclusion that perhaps a school does not have a future — the diligence has been done and the process has been started — that should continue. The Minister is trying to bring momentum to an area where there has not been a lot of it. He does not see the audit as stopping valuable work that has been going on.

Mr Lunn:

In the debate, I used the words “momentum” and “impetus”. I congratulated the Minister on bringing those things to the process. I have no problem there. I am thinking about one particular school in my area, although it is not the only such school. There are others. Surely, they should just be part of the viability audit? You should not do a viability audit on a school that you have already implicitly decided to close. That is what irritates me.

Mr McGrath:

If the board has done its diligence and concluded that the school is not viable, it will technically feature in the viability audit. However, the board will have already identified proposals on how it wishes to deal with that school and will have initiated that process. The Minister is not of the view that bringing momentum should actually have the effect of pausing constructive work that is going on.

Mr Lunn:

I hope that the process will actually prove that that particular unnamed school is viable. If I look at the six criteria, I see that it satisfies them all. The basis for the present action appears to be that the school needs an awful lot of money to be spent on it for maintenance. It has not been maintained properly over the years, and it now has a £300,000 requirement for essential maintenance. It appears to be easier to close it. I do not want to bang on about one school. However, it seems strange that that particular process cannot be halted pending a viability audit, which is supposed to be done on all schools.

Mr McGrath:

We have asked for a list of all schools that are currently under stress and proposals to address those issues.

I do not want to get into the detail of any particular school. However, if the board has already done the work, assessed that the school is not viable in the long term and initiated action, that school is likely to feature on the list of schools that that will come up for viability audit. The

board will have already put its plans for that school on the table. That is totally consistent. I would make the point, as you would expect me to, that any proposal for closure will be subject to development proposals and will come to the Minister for a decision on its own merits. That is why I do not want to get into the detail of any particular school, and the Minister has also made that point.

Mr Lunn:

I am really trying not to get into the details of any particular school.

Mr McGrath:

I do not think that the closure of a school will be solely based on backlog maintenance. If that was the case, and given the state of affairs that we have at the moment, we would, quite frankly, be closing an awful lot of schools. We must address the fact that we cannot plan on the basis of having enough money to build new buildings for all the schools; the Minister has also made that point. We need to think outside the box about solutions.

Mr Lunn:

I have one more, quick question. If a school has a special needs unit, are the pupils in that unit counted in the overall total for the school.

Mr McGrath:

I am not sure.

Mrs Finlay:

They would be if it was a dedicated special needs unit that was set up as such, as opposed to a unit that was established in the school with special needs pupils in it. A special needs unit that is attached to a school requires a development proposal, but that is not the case if a school sets up a unit itself. There is a slight difference, and until I know which school you are referring to, I could not properly answer the question.

Mr Lunn:

I know. A school could be above the numerical threshold of 145 pupils for an urban primary if its special needs pupils were included but could fall below that threshold if those pupils were excluded. What is the correct way to deal with it? That is the situation. Just say yes.

Mr McGrath:

It is too simplistic to say that there is a threshold and that, if a school is above that threshold, it is, de facto, viable.

Mr Lunn:

No one is saying that. I am just asking as part of a —

Mr McGrath:

It could count. In some cases it will count on enrolment, but the real test is whether a school is facing difficulties or not. If it is, it is, and if it is not, it is not. That is the reality. The example that I gave Conall shows that the financial predicament at the moment is likely to mean that, for the purposes of financial viability, the threshold will be higher in the future. We have had a lot of correspondence from schools about the budget, and there is evidence that large schools are facing difficulties.

Mr Lunn:

So, we do not know whether 66 special needs children in a school of 157 children will count as pupils or not?

Mr McGrath:

We can get you the detail on that. However, the point that I am making, Trevor, is that the real issue is whether a school is facing difficulties or not.

Mr Lunn:

It is not, but that is by the way.

Mrs Hale:

John, what is the procedure for schools that have moderate learning difficulties (MLD) units or severe learning difficulties (SLD) units and are to be closed? Will the children in those units be given places in other special needs schools, and will they get a chance to go and look at those units? There will be autistic children and children with both severe and moderate learning difficulties in those units. Before schools are closed as the result of the viability audit, will the parents of those children be made aware that there are places in nearby schools for their children? Will that be taken into account?

Mr McGrath:

Let me work through that. The viability audit will identify which schools are under stress, and, linked to that, we will ask them for their thoughts or proposals on how to address that. If we reach the point that the route for a particular school, in the circumstances that you have given, is to move towards closure, I would expect the organisation that is planning that closure to address specifically where all of the pupils will go, including those —

Mrs Hale:

In this case, the parents have not been informed. They do not know where they will place their special needs children because the other local schools are full up.

Mrs Finlay:

Children who are statemented have named schools. If the children in question are statemented, that process will have to be revisited, and they will have to decide where those children will go. The statement names the school that the child has to attend.

Mrs Hale:

Even if that is outside their local area, and they will have to start travelling?

Mrs Finlay:

That will be a matter for the special educational needs team to sort out.

Mrs Hale:

It is a transport issue as well.

Mrs Dobson:

May I take you back to a comment Trevor made earlier? Please clarify for me: the Department will not consider closures until the viability audits have been completed? Is that what you say?

Mr McGrath:

No. The Minister's view is that, if organisations have completed work, formed a view in some cases that closure is an appropriate option and have triggered the process of consultation and engagement leading to develop that proposal in due course, that should not be held up.

Mrs Dobson:

However, if the viability audits have not been completed, would it not be fair to wait until they are?

Mr McGrath:

If an organisation, a board or whatever has come to the conclusion that a particular school should be closed, I would expect that that school would feature in the viability audit. The organisation has, in advance, assessed that school with diligence and has taken that to the point of working out the appropriate form of action.

Mrs Dobson:

Those concerned should be prepared to wait until the viability audit is complete. Trevor touched on that earlier, and I think it is a valid point.

Mr McGrath:

There is a difference of perception here. My take on it is that the organisation has already done a test on that school; it has already concluded that it is not viable and that the best option is closure and has set that in train. So that is absolutely consistent with the wider work that we ask it to do.

Mrs Dobson:

There is no point in doing it.

The Acting Chairperson:

Are the criteria for both processes the same?

Mr McGrath:

Yes, they will be the same. I expect that the viability audit for the relevant organisation will feature that school but will state that action is already in hand to deal with it through a proposal to close, if that is the conclusion it has reached.

Mrs Dobson:

I refer to a point made earlier by the Acting Chairperson. It is a sad fact that dozens of schools across Northern Ireland fall below the recommended levels set out in the Bain report. I am aware

of the six criteria for viability. Can you assure us that, when schools are identified, in the Minister's words, as facing viability challenges, this will not simply boil down to a crude headcount?

Mr McGrath:

Every school will be looked at. This is to identify a range of schools immediately — area planning is a more strategic exercise — that are in difficulties now and to identify proposals to deal with them. I expect that those proposals will be a mix of everything, including amalgamation, closure, expansion in some cases and whatever is appropriate. Potentially, under area planning, if there are three small, unviable schools, the answer may well be to plan to merge them into one bigger, sustainable, viable school.

Mrs Dobson:

So those schools which fall below the number should not be unnecessarily concerned? It will not be a headcount?

Mr McGrath:

It is not simply a headcount. In some areas, where there are three or four small schools, the solution could theoretically be that one is selected for expansion and the other two for closure.

The Acting Chairperson:

Is any weighting given to the criteria?

Mr McGrath:

In the viability audit, three factors underpin why a school might be unviable. This is not a tick-box exercise, and it is not down to one factor more than any other. The real point is to consider whether the school is facing difficulties in financial viability or quality of education. The point of the viability test is to ask whether there are schools that face difficulties in viability and in providing quality education. That is the simple test. We will look at enrolment, quality of education and finance. They all interlink. If a school faces a deficit, we might bring it into balance by reducing the staff, but that might impact on the quality of education and could affect whether the school can deliver the curriculum. If that were a factor, the school could end up with falling enrolment. The criteria are not set.

The way that they operate or how you would deal with them is a three-legged stool.

Mrs Dobson:

Some people will be concerned when they see the pupil numbers, and then they will not put their children's names down for those schools. That fear will be there because of the falling numbers. When people see the criteria for 105 rural schools, they will feel that there is no point putting their child's name down for that school. You are creating that fear if it is not down to just a headcount.

Mr McGrath:

It depends what the proposals are to deal with that, Jo-Anne. I have sat before this Committee previously. We had a sustainable schools policy in 2009. We recognise that a large number of schools are on their knees. When there is a resolution on how to deal with the issue, there will be a challenge for a number of schools. Indeed, I listened to the Committee Chair the other night citing, rightly, that we built a school several years ago in his constituency and it is already closed and decisions were not being taken. This is not creating the fact that a lot of schools — particularly, but not exclusively, small schools — will be challenged; it is just addressing it.

Mrs Dobson:

Parents will see the numbers, and they will know how many pupils are in the school. Future parents will shy away from putting their children's names down. That aspect is very important if it is not just about numbers.

Mr McGrath:

I understand that, but what other way is there? We have to deal with issues such as this. We have to deal with whether schools offer a sustainable future and education in the long term. It may be difficult, but parents are entitled to know whether the school that they are sending their child to, which may be fine now, may not be viable or offer quality education three or four years from now. They are entitled to some understanding of that.

Mrs Dobson:

But this process seems to speed up that fear. I do not think that the Department is doing anything to alleviate parents' fears through the figures.

Mr McGrath:

The Minister wants to get to a point where we have in place a provision of education that is resilient and offers and guarantees quality education to any child who accesses it, wherever they access it. At the minute, we have a number of places where the quality of education is in jeopardy. I make it clear that that is through no fault of the staff or anyone else involved. Rather, it is just because of a school's physical nature, location or financial structure. The Minister sees that he has a duty to deal with that.

In previous terms, everyone on the Committee has agreed that we need to get a grip on the fact that we have too many schools, too many small schools and too many places. The Minister is trying to grip that. There will be difficult decisions, and, in some cases, there will be unpalatable consequences. However, the foundation of what the Minister is doing is ensuring that we have a system that delivers quality education to our young people.

Mrs Dobson:

That is cold comfort to many rural schools that are the lifeblood of their rural communities.

Mr McGrath:

I understand that, but planning for the future is difficult, whether it is in public service or anywhere else. That does not take away from the responsibility of those who have to deal with difficult issues and set them out publicly.

Mrs Dobson:

I am concerned about the people in rural communities who are left behind to live with those difficult issues.

Mr McGrath:

I understand that. The changes in provision will be difficult for parents and children in some areas, but doing nothing is not an option.

Mr McKay:

I accept Jo-Anne's point about the self-fulfilling prophecy and how these situations can come about. However, the same narrative about a numbers game has been created politically. There is an impression among the public that it is all down to numbers when it is not. We need to change

that narrative back to give people a fuller understanding of what the criteria boil down to. There are six criteria. You talk about a numbers game and parents changing their behaviour in response to those numbers. If we are putting out the impression that it boils down to numbers, politicians are creating that situation too. In that regard, we also need to act responsibly.

First, on the issue of the criteria, the Minister has set out that he wants to see these changes put in place as soon as possible. What opportunities will schools that do not meet the criteria overall have to address their shortfalls? The situation may arise in which a school falls down in a couple of criteria. How long will they have to address that? An enrolment trend may not be something that can be arrested, but how much leverage will they have with some of the other criteria, such as strong links with the community and so on?

Secondly, where do we go after December? After the viability audit, there must be sensitivities around how the information is handled. It could lead to a self-fulfilling prophecy for certain schools if it gets out that they are having difficulty in meeting the full criteria, even if it requires only a little bit of tweaking to ensure that they get over the line. There must be sensitivity shown and careful consideration given about how all of that is handled.

Mr McGrath:

The viability audit is just the starting block. It is the Minister's view that I need to test the system with a dipstick to judge where we are. This is not a John O'Dowd creation. In the months since the Budget, we have been inundated with letters from schools that say they are in a really bad way and want to know what we can do about their budgets. We have had to say that the budget is the budget; under LMS, they have the responsibility and the power to decide how to spend it, and they have got to make the best decisions. Therefore, there is already enough data and noise in the system from schools that are making it clear that they are in difficulties. This exercise is not creating those difficulties; it is trying to get an overall, comprehensive assessment of how many schools are facing challenges.

That does not mean that there will be a list of schools to be closed. It is important to know that this is not just about small schools. A number of large schools are facing difficulties. A number of schools are likely to face difficulties, but any plan for the future would still have those. We will have to work out whether such issues involve slimming staffing but maintaining the right delivery of the curriculum. Is it, as Lorraine said, a question of expanding some schools?

The Minister is of the clear view that where schools show evidence of falling enrolments, people are already — as he puts it — voting with their feet. He did not create that situation, but that is what is happening in many areas of falling enrolments. Equally, and he made it clear in his statement, in the case of many big, popular schools that perhaps have the capacity to take more pupils, people are voting with their feet by going to them, and there should be the capacity to accommodate that on a planned basis. Therefore, some of this is a way of responding to parents who are already making judgements.

When a list comes out of a viability audit, that must be properly handled, and it must be made clear that it is not a hit list. Those schools are not going to disappear overnight, if at all. There may even be issues of looking at a school under area planning. We may not see a certain school being there 10 years or five years hence, but until such time and while it is there, we have to ensure that it offers proper education.

In the review of the funding scheme, one of the things that we will also want to look at is how we may have the flexibility to say that a school may not exist in five years' time, but, if it has to keep going for that time, how do we make sure that there is the flexibility to prop it up until that time. The present formula is a fairly rigid mechanism, without that flexibility.

Mr McKay:

It is also important to emphasise that post-primaries with 800 or 900 pupils, scores of whom leave without any GCSEs, are not out of the woods just because they have a big enrolment. They may be in a much more difficult situation than another school with lower numbers.

Mr McGrath:

There are real challenges.

Mr McKay:

But it is important that we get the message out that that is unacceptable.

Mr McGrath:

There are a number of issues. A number of large schools face financial challenges now. There

will be issues around how those schools balance their books while maintaining quality of education. In those cases, what you may want to do is to rationalise adjoining provision that is not doing well and does not have a future to build up sufficient numbers. In the future, post-primary schools will need sufficient scale to be financially and educationally viable.

Mr McKay:

As the process goes on, are you finding that schools, boards of governors and different sectors are warming to the idea of sharing resources and working in conjunction with other local schools? Is that process easier now than it was five or 10 years ago?

Mr McGrath:

A lot of good work goes on, and a few area learning communities are working in collaboration. A lot of good work goes on around the issue of sixth forms, in particular. There are some very good examples where schools have been conjoined successfully. The Ballycastle case is a good example of that.

However, we need to be cautious, because collaboration in itself is not an objective. It is a means to an end. We are keen that kids, particularly those in sixth form, spend most of their time at their main school. In recent years, people have been trying to argue for sixth forms in some areas by almost creating a Heath Robinson construction, whereby children spend half their time being bussed round a town. It may be collaboration, but it is not necessarily the right idea for kids.

Some of the thinking is that schools will be bigger. If that is the case, you will want as many schools as possible to be self-sufficient so that children, but particularly sixth forms, stay in the one place. Some very good work is going on at the minute that is designed to cope with collaboration, if that is what is needed. There is some imaginative thinking, but that thinking must be about ensuring quality provision rather than ensuring the continuation of an institution that is, perhaps, facing challenges. That is the danger. Saying that we have got a shared model is no use if that model is judged not to be a very good one for children. That is why the Minister's focus is on putting pupils, not institutions, first.

Mr Flanagan:

Thanks for the presentation and for answering our questions. I want to tease out a wee bit further

what the report will look like and how many innovative proposals will be in it. What an awful lot of us fear is that we will just get a list of every school with a note beside each name recommending that the school be either closed, amalgamated or expanded.

Will there be any proposals to amalgamate schools where there are two or more schools from different sectors in a small town or village? Will the audit go into enough detail to speculate on how much that would cost, whether there would be a site available for a new school in the area and which of the existing schools would be expanded if they were not amalgamated?

Mr McGrath:

We will not get down to saying, "Here are the capital proposals". That will happen a bit further down the line. I expect that, in many cases, the boards will say that there is a real issue about school x and school y or two small schools and that they will therefore have to explore the area-planning process to scope whether they should join those schools together. Frequently in the past, the incentive to bring about amalgamation was to build a new school. You would close the two existing schools and build a brand new school. However, we will not have the money for that in the future. What we might do instead is put some accommodation on one of the sites and join the two of them on the single site. In the past, you built a new school, so everybody won and nobody lost. However, that will not be affordable in the future. In the first cut, you would expect the boards to say, "Those two schools do not look as though they can survive in the long term, so we need to explore how we can bring them together locally", and then area planning will work out what you put in place.

We want people to think imaginatively, but the first issue relates to what schools are in difficulties now. When we move to a formal area-planning exercise and there is an understanding about the entitlement framework, there will be other issues about the long-term viability of other schools that are not in the first cut when people begin to work out the consequences of the entitlement framework linked to their budgetary profile.

We are also looking at providing as much clarity about future budgets as a context for that work. Our Minister will look at revisiting his budget figures for next year and finalising those for context, because it is important that people understand that. Occasionally, you still bump into somebody who does not understand the black and white of the Budget and thinks that it is going to get better. The Minister has been very clear that he will fight for additional funding, but there

is no additional funding in the system at the minute. Therefore, we have to work on the financial reality.

In many cases, schools understand that, but, in many others, they do not. In many cases, people think that somebody will do something about it because it is serious, but people must understand the pressures on the block as a whole. There is no cavalry coming to the education sector at the minute, much as I might like it. Therefore, this is the start of the process. A number of institutions will face challenges in the long term, and they will have to be addressed in the area-planning exercise. I think that scale will be an issue.

Mr Flanagan:

The Deputy Chairperson led the cavalry charge on ‘Talkback’ one afternoon. I am keen to find out more about the six criteria, and Michelle raised the issue of weighting. Will those six criteria be weighted equally? Will it be as simple as having scores out of ten, with a total score out of 60, or how will it appear? How will those things be measured? Are educational experience and financial viability the two most important criteria, or is each one given equal credit?

Mr McGrath:

It will depend on each case in the longer term, but if a school has significant financial difficulties, you have to deal with them. You cannot say that that factor is of a lesser order and that a school can continue having a deficit because in other respects it is ok. If you ask whether it can reduce that deficit to come in to balance without jeopardising the educational experience, and the answer to that is no, you have a real issue. You may hit the button on some of the other criteria, but quality of educational experience is fundamental, and the budgetary issue cannot be ducked, because we have more than 1,200 individual budgets, and the minute you start saying that a number of them can just run deficits up, we will be in financial meltdown, and that is simply not acceptable.

Mr McDevitt:

First, on a point of clarification, the terms of reference for the viability audit dated 30 September do not make any reference to the six criteria. The deliverables clearly set out three criteria. Colleagues have been asking about six criteria, but schools are not being measured against six criteria; they are being measured against three criteria, and those criteria are spelt out. Is that not the case?

Mr McGrath:

Those are the three criteria on which we are basing the viability audit. They relate to what schools are facing stresses, because you could have good community links but still be in real difficulties.

Mr McDevitt:

Just so that we know what we are talking about, the sustainable schools policy is all very interesting, and there are six criteria in there, but what they are being audited against is not the sustainable schools policy; it is the three criteria outlined in the statement of 30 September and in the terms of reference contained in 'Putting Pupils First: Shaping Our Future'.

Mr McGrath:

Yes.

Mr McDevitt:

Good. Secondly, is this process financially driven?

Mr McGrath:

No. The Minister has made it clear that he would be doing this if he had a benign financial settlement.

Mr McDevitt:

I understand that. I just wanted to make sure that that was the corporate view of the Department as well.

Mr McGrath:

There is a budgetary context. We did not deal with this issue in the past, because we had the luxury of better financial times to put up with it and the inefficiencies. We do not have that luxury any longer.

Mr McDevitt:

I accept that.

The Acting Chairperson:

John, to address some of the confusion about the sustainable schools policy, the viability audit and some of the work that has already been done by the boards, would it be possible for us to see the guidance that has been issued directly to the boards about the viability audit?

Mr McGrath:

You have it.

Mr McDevitt:

We have the terms of reference.

Mr McGrath:

That is what was issued.

The Acting Chairperson:

Was there any guidance issued to the boards, or is that it?

Mr McGrath:

That is what has gone out to them. We have had some meetings with them.

The Acting Chairperson:

I was under the impression that there had been further guidance given.

Mr McGrath:

No, there has not been further guidance. I am being very clear about this, and the Minister has been very clear. We are being very transparent about this exercise, because we do not want people thinking that there is some conspiracy or that there is a hidden list. The viability audit's terms of reference were made public when they were finalised. The same material on area planning, when we get to it and it is finalised, will be made public. There is work going on about how the boards and CCMS will take forward the viability audit. Once they have finalised how they are handling that and the returns that they are doing, they will make that available to all the schools involved, and the Committee will have access to that as well.

The Acting Chairperson:

We will have access to that in draft form as well, will we not?

Mr McGrath:

No, this is just for the viability audit.

The Acting Chairperson:

I mean in relation to the area-based planning.

Mr McGrath:

The boards and CCMS are working on how they will take this forward on a common basis across all five board areas. Once that is finalised and sent out to schools, we can ensure that the Committee has access to that too. So, you will have all the material that is out there.

Mr Flanagan:

John will be well aware of the ongoing situation in Fermanagh, and I will not go into specifics. The CCMS and the education and library board have both produced separate plans for the future of post-primary education in the county. As part of this audit, is it likely that both organisations will come back with a joined-up plan on how they see the future of post-primary education? That is particularly important in an area such as Fermanagh, which is on the border. There is a clear perception that the Western Education and Library Board and the other boards work inside their own areas and do not look into what neighbouring boards are doing. Will that consideration go beyond one board area?

Mr McGrath:

We expect the area-planning exercise to come back in Fermanagh with a picture of post-primary provision in the future across the piece. There has been a tortured history for both sides down there, but the process is to build on the work that has been done on the controlled side, for example, and to take the work that will be emerging from the post-primary review. The goal is to take that, sit down, distil it and put it into a common framework. The post-primary review of the CCMS will be produced shortly and will be a contribution to the area-planning exercise; it is not a done deal. One of the issues will be, because it has been a rather lengthy exercise, whether it has kept pace with the financial reality and the issues of scale.

In the area planning terms of references and any guidance on that, we will be making the point that the boards need to look at cross-boundary issues. There are issues in Fermanagh in conjunction with Fivemiletown in some cases. They need to look at cross-boundary issues, but there are a number of places where there are clear cross-boundary issues and, perhaps, solutions. Something we want to look at is the dual carriageway issue in the Belfast Education and Library Board and South Eastern Education and Library Board areas, where a number of post-primary schools are facing challenges. That needs a joined-up approach, and we will be giving a clear steer that we expect those two organisations to sit down and address the issue. In the past, they were not doing that. So, there will be clear steer to address that. The aim is to ensure that there is adequate provision for children and that they do not lose out because they go five yards across an administrative boundary.

Mr Lunn:

Sorry, John, but I want to go back to the viability audit and the close conjunction. There is an apprehension out there, among one side of the community anyway, that the body charged with doing the viability audit on the other side of the community might — I do not want to say that it might demonstrate favouritism, but it is checking on its own sector. Would it make sense for the education and library boards to be represented on whatever organisation CCMS sets up to do the audit, and vice versa?

Mr McGrath:

De facto, they are already doing that. They have sat down and worked out a common approach between the boards and between the boards and CCMS to ensure that it does not look like the North Eastern Education and Library Board, for instance, is adopting a different approach from the Southern Education and Library Board.

Mr Lunn:

The terms of reference and the common approach are the same, obviously, but some — dare I call it — monitoring of each other's working of the process would, perhaps, lead to a greater level of satisfaction with its outcome.

Mr McGrath:

They are already working to a common approach so that it does not look as if one sector is applying a different test.

Mr Lunn:

They are applying the same test. However, would it not make sense for the CCMS representatives to have a representative from the board with them when the CCMS sends a delegation into a particular school to do the viability audit, and vice versa?

Mr McGrath:

It will be done jointly in each case, because the board is the funding authority for every school in the controlled and maintained sectors. It is the board that looks at the finances. CCMS is the managing authority and will look at quality. They have got to do it jointly in any school, because the board is in the primary position on financial issues and assessment.

Mr Lunn:

I am not picking on CCMS, but the viability audit that comes out of CCMS on a particular school will have been done entirely by CCMS.

Mr McGrath:

No, it will not.

Mr Lunn:

Tell me why it will not.

Mr McGrath:

The financial information and assessment of it will come from the board. The board is the funding authority; the board oversees it; the board will be the one to sit down with the school and ask it what it is going to do about its finances, and that is the case to date. In those cases, the two organisations will have to sit together. We are going to get a response covering all the schools in, for example, the Belfast Education and Library Board area. We are not going to have a CCMS list for Belfast; there will be one integrated list put together in a response. They need to work together on that side, because the board is the funding authority.

Mr Lunn:

You will get an individual audit report on every school, which will have been produced by its representative body.

Mr McGrath:

We will get a report on those that we judge.

This is being done in a joined-up way. I can understand your scepticism about that likelihood, perhaps. However, in the past week or so, we have had two meetings with all the boards and CCMS, as Lorraine can tell you. They rapidly got to the point of the need to adopt a common approach and to work together, and they are producing a template that will be the basis for the returns. They are working hand in glove on this.

Mr Lunn:

They are not quite doing it jointly. They are working in conjunction towards a common purpose.

Mr McGrath:

They are working jointly. We expect the board and CCMS to work together in each area. We are gratified that, across all the board areas, people have quickly worked out that they need to do this with a co-ordinated, common approach, and rightly so. I do not want to come to this Committee and be accused of the fact that board x and the CCMS in one area are adopting a different approach from board y and the CCMS in another area. That is the point.

Mr Lunn:

That may well happen at the end of the process.

Mr McGrath:

No. You will have solutions or a way ahead, but they will not be uniform. I do not mean between sectors; I mean for different circumstances. You will find circumstances where, I suspect, there will be certain schools with characteristics that look largely the same, but the solutions are different. Some schools may be able to get themselves out of financial difficulty, and some may not. It will not be a common, simple solution for a determined set of circumstances; it will have to be on a school-by-school basis in the context of the area plan.

The Acting Chairperson:

Thank you. I am mindful that I am bringing in some members for a second time, and we have witnesses waiting to give us our next presentation.

Mr McKay:

I have one very quick last point, Chair, in respect of the scope of the viability audit. Members have referred to enrolment, quality of education and financial situations. The context includes existing policies, such as the sustainable schools policy. It would not make any sense for those three criteria to be taken into account without consideration being given to, for example, the entitlement framework as well. It is a lot more complex than just those three aspects.

Mr McGrath:

That is why the area-planning exercise, which is about where we want to get to, will look at six criteria and will feed in the implications of the entitlement framework, as well as whatever comes out of the review of funding. There are a whole lot of factors. It will also involve looking at the softer issues such as community support. The viability audit is a stress test to establish which schools are in stress and need, if not intensive care, an A&E department. What you do to cure those schools is what will come out of area planning. For example, if a rural school is quite isolated, you may have to work on a solution based on the fact that there needs to be a school there one way or the other. If some rural schools have two or three others not far away, the solution can be different. The planning authorities will have to deal with that.

The Acting Chairperson:

John, Lorraine and Diarmuid, thank you very much. We will see you again.