



Northern Ireland
Assembly

Committee for Education

OFFICIAL REPORT (Hansard)

Common Funding Scheme Review Panel
Briefing

30 January 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mervyn Storey (Chairperson)
Mr Danny Kinahan (Deputy Chairperson)
Mr Jonathan Craig
Mrs Jo-Anne Dobson
Mr Chris Hazzard
Mr Trevor Lunn
Miss Michelle McIlveen
Mr Sean Rogers
Mr Pat Sheehan

Witnesses:

Mr Evan Bates	Common Funding Scheme Review Panel
Dr Eemer Eivers	Common Funding Scheme Review Panel
Sir Robert Salisbury	Common Funding Scheme Review Panel

The Chairperson: I welcome the chairman of the independent panel, Sir Robert Salisbury. You are very welcome, Sir Robert. I also welcome Dr Eemer Eivers and Mr Evan Bates, both of whom are members of the panel. Thank you for your attendance at previous Committee meetings and for supplying us with a copy of the report. You have spent a short time focused on this issue. Sir Bob, after you make your presentation, other members of the panel may want to comment. We will then take members' questions.

Sir Robert Salisbury (Common Funding Scheme Review Panel): Thank you. Good morning again, everyone. Thank you for the invitation. As I said at the last meeting, we are a completely independent panel. We were appointed by the Minister in June 2012 to carry out a comprehensive review of school funding.

Before we get into this, I would like to thank publicly my colleagues, Eemer Eivers and Evan Bates, who have worked tirelessly and who have put in immense effort to get this detailed report through in a short time. I would also like to thank publicly the two officers from the Department who were seconded to us for six months, Angela Kane and Suzanne Kingon. They provided a great deal of data for us, did all the organisation, were extremely useful members of the team and were good representatives of the Department.

Our report, which was published on 21 January, makes recommendations for significant change. From the outset, we took the view that we wanted to get to stakeholders to ask them exactly what they thought about the current system and that face-to-face interviews with as many people as possible were the way to go. We wanted to ask them what they thought about the current scheme and what

changes they would like to see. Therefore, we met a large number of stakeholders, ranging from principals, governors and education organisations to a wide range of rural and community interest groups. We also met more than 50 schools from all sectors.

As well as that, we issued a formal call for evidence, to which we received more than 400 written statements, and many additional statements commenting on the scheme. In truth, we were impressed by stakeholders' interest and understanding; they have informed our understanding of the situation and have raised with us the key questions that have shaped our report. Quite simply, we have concluded that the current model of funding in schools requires significant reform.

You will know that the majority of school funding is allocated using a funding formula. There are 16 separate funding factors. It is very complicated and difficult, particularly for principals and governors, to see exactly why a school receives the funding that it does. It is a complex system, and it seemed to be difficult for principals and governors to plan what was coming, over the next few years. We also felt that there were two significant areas of the current formula that ran counter to the Department of Education's key objectives.

First, the formula gives significant additional support for all small schools, irrespective of their circumstances. Basically, smaller schools, whether an isolated rural school or an urban school round the corner from another school, receive much higher funding per pupil. That seems out of line with the sustainable schools policy.

Secondly, the current formula gives low levels of additional funding for pupils from socially disadvantaged backgrounds, many of whom are very likely to require additional support. The gap between the achievement of children from low socioeconomic backgrounds and other children continues to pervade the system. We were looking at a new formula, and we wanted certain principles to be in there. We wanted education funding to reach the pupils who need it most. That seemed to us a key thing. The guiding principles of our proposed reforms are to increase significantly funding for pupils from socially disadvantaged backgrounds and to simplify and refocus the formula. The focus is no longer on preserving institutions but on addressing the educational needs of pupils; for, in our view, it is still essential to address the long tail of underachievement in the education system in Northern Ireland.

The proposed new formula is fairer, simpler and more transparent and is composed of seven core elements, a basic per-pupil entitlement with additional premiums reflecting pupil needs. In particular, schools will receive a funding premium for all children who are registered for free school meals. Smaller schools receive less funding under the proposed new model. We do not think that, in the current climate of financial austerity, all small schools can continue to be generously funded at the expense of their larger counterparts. However, we are acutely aware that some schools are necessary. We believe that such schools need, as a matter of urgency, to be assigned designated small school status that entitles them to funding outside the formula.

Our conclusions are that the proposed funding formula lays down a foundation for changes that will benefit all pupils. It is designed to support the Department and schools and, above all, to strive to raise the attainment of all children. I am sure that the Minister and the Department will now consider its recommendations, and I look forward, as do my colleagues here, to stakeholders engaging in a lively and informed discussion on our proposals.

The Chairperson: Thank you, Sir Bob. Bain's definition of a small school does not sit very comfortably with the many small schools of 40, 50, 60 or whatever number that are doing an excellent job. If you were a principal of a school of that size and were hearing about and reading the report, you would simply conclude that it is a mechanism that will now be used by the Department to justify the closure of those schools and the removal of their pupils to larger schools. No economic case has been presented either in the report or by the Department that if you bring four schools together and create one large school, you financially improve the situation and ensure a better educational outcome for those pupils, which is the primary issue. That is where I am disappointed.

In the report, there are a lot of references to what has been the process to date. We need to remember that, in 2003, the Department introduced the common funding formula to make it simpler to have distribution of money. Obviously, because we are now sitting at this point, we have had to review it again. What, in the view of the panel, are the criteria that should be used? It seems as though we want to have our cake and eat it. We think that small schools should not really be in the same place, but we then say that small schools should be designated to have funding outside the

formula. How could you manage that, and how could you determine what is a small school that should be outside the formula, as opposed to a small school that believes that it should still exist?

Mr Evan Bates (Common Funding Scheme Review Panel): I will come in on several of those points. You are quite right that one of the core issues from the report is the fact that it affects small schools in a very considerable way. We have drawn out in the report how the formula would change. Let me deal first with post-primary, because the urban/rural issue is not so strong in a post-primary context. There are a great many small post-primary schools; about 90 schools have 500 pupils or fewer. The difficulty in the post-primary sector is that many of them will struggle to deliver the full entitlement framework, and bear in mind that entitlement framework funds are due to finish in a couple of years' time. There are difficulties in providing the full curriculum, and it is also clear that educational standards in many small post-primary schools are lower than we want. Therefore, the future for the post-primary sector is very much a choice between whether you continue to put more and more funding into small post-primary schools or whether you say that it is time to bite the bullet and start to amalgamate and enlarge schools so that they can be more flexible and provide for the curriculum.

It is worth looking ahead to the next few years financially. We know that, up to 2014, the financial position will get more difficult. In real terms, funding will fall, and it is a reasonable assumption that, beyond 2014, funding will be very difficult again; moreover, pupil numbers in the primary sector are starting to rise. All of that will increase pressure on the schools budget. It seems to us that putting more and more money into propping up small schools, especially those that are contracting because they have even higher costs, cannot be the way to go.

At the primary-sector level there are many small schools that will have a continued future. We have not spelled out the criteria that might be used — that is left to the Department — but travel distance must be a key factor. Especially at foundation-stage level, we cannot expect children to travel too far to school. The funding for the small schools support, which would be additional to what we are offering, will have to be sourced by the Department of Education. It is for the Department to work out whether it can find it from outside the aggregated schools budget or whether it takes a chunk out of the aggregated schools budget.

The Chairperson: Evan, we have to accept that your comments on the entitlement framework are the Department's current policy, but we have hung our hat on an entitlement framework, and based on the Confederation of British Industry report, no employer believes that an arbitrary figure of 24 or 27 is the golden bullet that will heal all the ills of our education system. The system does not have enough flexibility to determine what is more appropriate for the pupils as opposed to a circular from the Department of Education, so you end up with a funding formula based on a policy that we do not even know is the appropriate policy to have. So, to ensure that we meet the policy, we end up taking out schools. I can give you examples of small schools that I have repeated in this Committee on a number of occasions. Newtownhamilton High School is a prime example. It has 147 pupils and does not meet the Bain criteria for its existence, but it fits every other thing that is thrown at it by the Department, and it can live within its budget. Now, that has not been easy, but it comes down to good leadership, good management and a determination to ensure high-quality education provision. What evidence is there to justify us as a Committee concluding that moving to bigger schools is the best option? All of this is driven by the Department's long-term desire for the imposition of the proposals for bigger schools that came way back from Mr Weist from Montgomery County in the United States. Those proposals held that if you have bigger schools, the world will be a better place. There are bigger schools that have financial problems.

Mr Bates: You are right. One of the things that we noticed was that larger schools in the primary sector are more likely to be in deficit than smaller schools. That is because the formula gives so much more funding — 40% more — to small primary schools than to larger ones. That is one of the things that we do not like. The non-selective sector is a good example of that because large non-selective schools are getting into deficit while smaller schools continue to get additional support. We will see larger schools get into very serious problems over the next few years unless the formula is altered.

The Chairperson: Your point about non-selective schools is interesting. The recommendations are not given in any order of merit: you have not picked the first recommendation as being the primary one. However, does anybody know where recommendation 16 went? It is not in the report. I was glad that it was not recommendation 11 that disappeared because I would have worried that the 11-plus had definitely disappeared. Recommendation 16 is not there. I do not know why that is. So, we have only 29 recommendations. Unless I have missed something, there ain't no 16. I hope that that is not the killer blow.

Your first recommendation is on procurement, which I found very interesting. We have rehearsed this in the past number of weeks, but in 2010, the Department told us, "We have found the answer. We are going to set up our own directorate. We have appointed a director, and boy are we going to do big things in procurement." Two or three weeks ago, the Minister wrote to us and said, "We are not going to do that now. We are going to do something completely different. We are going to have the Central Procurement Directorate and we are going to have the Education and Skills Authority (ESA), and they will both do procurement. So, we are going to split it." Then, the panel comes along and says:

"The Department of Education should clarify for all funding authorities the exact legal position of all schools in regard to procurement and ensure that procurement guidance issued by each funding authority is harmonised prior to the establishment of the ESA."

That is not what it is proposing to do. Perhaps harmonising is the creation of two separate procurement procedures. Is the reason, Evan, that you make reference to the non-selective sector linked to that? In recommendation 3, you say that the voluntary grammar system of financial management is one that the Department should explore. They would argue — I am not arguing the case for them; they have argued it in the Committee — that their financial position is due to the fact that they have the flexibility to make a decision, because of their governance arrangements, on the procurement of staff, paper clips or whatever it is. They can make the decision there and then in a structure that is less bureaucratic than what we currently have. Is that not really getting to the core of the reasons why we have such a disparity, particularly in the post-primary sector?

Mr Bates: The reason the recommendations are in that order is purely to do with the sequence of chapters in the report; it has nothing to do with the importance attached to an individual recommendation. I do not know what has happened to recommendation 16. It may be simply a numbering issue that means nothing whatsoever, but we can check.

The Chairperson: In the suspicious world that we live in we would like number 16 to be discovered, just in case.

Mr Bates: We heard from schools that have problems in obtaining items through procurement quickly. We are aware of the wider line being taken by the Department of Education to bring in the Central Procurement Directorate as a centre for procurement. We acknowledge that that is the background to this. We understand that, in many ways, because of the legal position in procurement, there is not much difference between one type of grant-maintained school and another. What has perhaps happened is that the Department of Education, which acts as a funding authority for the voluntary grammar schools, has taken a softer line on control, compared to that taken by the education boards on the control of maintained schools, whereas we understand that the legal position is not actually very different in procurement terms. We were suggesting that that should be clarified and harmonised.

In relation to the independence of the voluntary grammar sector, we have acknowledged in the report that autonomy — control over the curriculum and how instruction is delivered — is important. There is less strong evidence for the importance of financial autonomy, but there is a strong interest, in some schools at least, in more autonomy. We have suggested that the practical implications of going to the voluntary grammar end of the spectrum — and it is very much at the end of the spectrum — need to be properly assessed by the Department of Education. There are many practical implications that we have not looked at, such as potential bank costs, additional cash-management costs, the implications of borrowing funding, if that was the extreme that could be brought in, and the costs associated with payroll systems. There are many practical issues that need to be assessed and judged before pursuing the route in detail.

Sir Robert Salisbury: Although many schools asked for greater autonomy, we gave a strong warning, as Evan said, that there are other issues, such as higher accountability and higher costs, and that the voluntary grammar system is not the be all and end all. It is not a panacea. We recommend that if a lot of schools want greater autonomy, the Department should look at what possibilities exist for that and either accept or dismiss it.

Dr Eemer Eivers (Common Funding Scheme Review Panel): One of the things that we were clear on was that it would not be automatic; neither did we recommend it as the only approach. It is certainly not a panacea for all ills, but it should be an option under certain circumstances.

The Chairperson: Is there a tendency for there to be a contradiction in relation to that? Take the position that you indicate in relation to the report. The issue of more autonomy is welcomed, and is becoming more of a theme, certainly in consideration of the ESA Bill, yet recommendation 19 states:

"A notional Special Educational Needs budget should be identified for each school in Northern Ireland."

Is that not putting a straitjacket on the autonomy of the school? I appreciate that special needs are important, and there is a huge amount of resource and money that is directed, not only via the Department but by the boards, specifically to special needs. However, is there not an issue around making a recommendation that you should have a notional special needs budget identified for schools? Does that not contradict your saying that you would let autonomy rest with the school to determine how best it spends its money in regard to its pupils?

Dr Eivers: The school has autonomy over how it spends money. The notional special educational needs (SEN) budget recognises that dealing with children who have low-level special needs is part of everyday life in school and that that should be part of your regular school budget. It is not necessarily for bringing in outside assistance. How the money is spent and what is done with it is up to the school itself. The money is there, and it is within the core budget.

Mr Bates: May I extend that answer a wee bit? We have recommended additional funding for a number of vulnerable and disadvantaged groups in schools, some of which we have linked to socioeconomic deprivation. We have suggested additional funding for Traveller and Roma children. We have also introduced additional funding for looked-after children as well as for the notional special educational needs budget. Throughout, we have stressed the need for greater accountability and closer monitoring of how schools use that funding. In general terms, we do not want schools to feel that that money should be ploughed into a general mainstream budget; it needs to be properly accounted for and used effectively to help particular groups of children. I should have added newcomer children to that category as well.

The notional special educational needs budget is a concept that we picked up from England, which has been more aggressive in this area than we have. We are proceeding with some caution. Until now, it has been unclear how the educational attainment or special educational needs money that is part of the common funding formula should be used by schools. Many schools will have used that money to help to fund, for instance, the cost of a special educational needs co-ordinator (SENCO). In England, quite a few years back, it was made clear that SENCO costs were to be met from mainstream budgets, not from additional SEN funding. What we have suggested is that we should start to clarify the position and say that a portion of mainstream funding, a portion of funding linked to deprivation — because some special educational needs are closely linked to and correlated with deprivation.

Moreover, in the post-primary sector, funding linked to prior attainment should be deliberately used by the school to help to provide the costs of a SENCO and the additional costs of particular children. In England, they have said — I think that this is probably a step too far here — that schools should be prepared to spend up to £6,000 on an individual child with special educational needs before getting additional help from the central funding authorities. We think that that would be going too far here, but we have suggested that perhaps £2,000 would be a step forward. Quoting an actual number that people can anchor in their minds might help to clarify some of the existing guidance.

Dr Eivers: Bear in mind that it is not £2,000 a pupil but up to £2,000 for an individual pupil.

Mr Bates: Many will not need anything.

Dr Eivers: Yes; many will not need any extra funding.

The Chairperson: I want to make two other brief points. We will come back to this. I want to open up the discussion, as this is a very important piece of work, and it will be interesting to see how the Department views it. The Minister has written to us to ask for the Committee's view.

As I said at the beginning, if I were a principal in a primary school and I was reading the report, I would be fearful, especially if you look at recommendation 29. How many times have you as panel members heard the point about the age-weighted pupil unit (AWPU) and funding for primary schools compared with that for post-primary schools? A P7 pupil has a budget on their head of £2,000 or whatever it is a

year, but when they leave school in June and go to the post-primary school three miles up the road in three months' time, they will have, all of a sudden, doubled their value, because that is the way the formula is. The report states:

"the balance of funding between primary and post-primary should be kept under review."

The Department reviews everything — every minute of every week — but it is just a means of keeping everything on the long finger. There have been no specific proposals. We in this Committee have been lobbied to try to find a way of ending the disparity between the two groups. One way that we could do that is to use a "buildings versus pupils" approach. Your report clearly seems to favour a pupil rather than a buildings approach, yet in many primary schools the issue is that buildings are dilapidated, in a very poor state of repair, and so on. What comfort can be given to primary school principals that their issue will ever be addressed in a way that is beneficial to their sector?

Dr Eivers: We have taken a strong view that you can choose bricks and mortar or pupils' needs. We have gone for the latter; that is our approach.

I think that we are a bit clearer on the "primary versus post-primary" balance on page 121 of the report, where we state:

"Current post-primary provision is unsustainable, inefficient, and fragmented. The panel would like to increase the proportion of funding allocated to primary schools, but believes some re-structuring at post-primary schools must first take place."

That has to happen first. We cannot simply shift large amounts of money from the post-primary sector immediately because, to be perfectly honest, that would just cause havoc. We need a gradual restructuring at a post-primary level. That would facilitate the freeing up of additional funding for the primary sector. We would definitely like more funding to be directed towards the primary sector.

The Chairperson: Does that mean more larger post-primary schools?

Dr Eivers: If we look at small urban post-primary schools, not from a bricks and mortar perspective but from the perspective of the students inside them, a student in a school that was built for 600 or 700 kids who is rattling around with 300 other students will not have a pleasant experience. That student cannot get the depth and breadth of the curriculum that he or she should be experiencing. From a student point of view, I do not think that that is ideal. It is not purely financial.

Students in small post-primary schools do not get a fair deal, and something needs to be done about that. Doing something will also, hopefully, free up additional money that can be transferred to the primary sector.

The Chairperson: I do not agree with those comments. I think that that is an unfair generalisation of many post-primary schools that do not fit an arbitrary figure that Bain plucked out of the air. Nobody has ever come to the Committee and given me any empirical evidence that a sustainable good school has to have 500, 300, 700 or, in the case of the post-primary review, 2,000 pupils. I am not convinced by that argument, and I go back to the Newtownhamilton experience. The post-primary school there has 147 pupils. If you were ask the parents of those pupils whether they felt that their children get a good education, they would tell you that they get a very good education.

Dr Eivers: They may well do, but they are probably costing two or three times what a student in another school costs. You have to ask whether that is fair. Can you tell a child in school A that he or she is worth a third of a student in that school?

The Chairperson: That is not the case. According to the post-primary review, that school had no financial stress. It was living within its budget.

Dr Eivers: It would not have financial stress if it is getting two to three times the per head payment. That is our point.

You look at pupil and student needs and not school needs. You can look at individual cases, and there is always a "what about?" case. Our point was to look at the overall perspective and at students and not schools. I understand that individual cases are hard cases, but we took the bigger picture.

The Chairperson: Finally, your report accepts that free school meals are the indicator that should be used to determine targeting social need (TSN). I am not convinced that free school meals are the sole mechanism we should use to determine disadvantage. This report has taken the small schools factor out, on the one hand, and put TSN in, on the other. Instead of the money going to one group of schools, it will go to another group of schools. All you have done is to transfer the problems and issues. You have not resolved the problem.

Dr Eivers: To reiterate: aside from the issue of free school meals, we are not transferring it from one group of schools to another but from one group of schools to pupils and students. That is the focus. Evan has done considerable analysis on free school meals, and I am sure that he would be delighted to talk about them.

Mr Bates: If I may, I will return to your previous point about the balance between primary and post-primary. As a panel, we agree that primary schools need additional funding. Whether that comes from post-primary schools or somewhere else is less the issue, but they need some additional funding.

A table in the last chapter of the report sets out our estimates of how the revised formula would affect schools in different sectors. In that, you will see that some larger primary schools would gain funding under the new formula. The ones that will lose funding under the new formula will be the smaller primary schools, and the same would apply to smaller schools in the post-primary sector. That is because we are putting more focus on funding per pupil rather than on per institution.

We looked in some considerable depth at free school meals. We also looked at some alternatives, such as the income deprivation affecting children index (IDACI) measure, the multiple deprivation measures, and so on. We are aware that there has been criticism of free school meals in England and their uptake by certain groups. Rural areas in England have been identified as an issue, some people from black and minority ethnic communities have been identified as not taking up their full entitlement to free school meals, and there was some talk about post-primary levels having a lower uptake. In Northern Ireland, there were particular concerns around rural issues we have heard before. Post-primary uptake and the Protestant community, we heard, were also targeted as a group that may not fully take up the free school meals entitlement.

We looked at it as carefully as we could. There were some areas where it is difficult to get information, but we were certainly able to look at the religious aspect in quite some detail. It appeared to me — I conducted most of the analysis — that the relationship between absolute poverty and the free school meals percentages by religion mapped up quite well.

The focus of the deprivation measure is very much to target children who are at the most deprived end of the spectrum. If we were looking for a measure that was quite good at identifying one affluent area from another, free school meals would not be the one to choose. However, when we are focusing on the groups of children who are at the most deprived end of the spectrum — the lower 25% — entitlement to free school meals is still a good measure. That is not to say that other measures such as IDACI or multiple deprivation measures may not have a role to play at some stage in the future. They may have.

It also seemed to us that the free school meal measure could be improved. There is some lower uptake at a post-primary level, but we think that that may be due in part to the use of different criteria at that level. Working tax credits, for example, have been introduced as an allowable criterion at primary level but not at a post-primary level, and that obviously produces a lower entitlement at post-primary level.

We suggest two alternatives. One would be to harmonise those criteria and allow working tax credits as a criterion at post-primary level. The other would be to use what is called an "ever FSM" measure, whereby if a child became entitled to free school meals early in primary school, he or she would continue to have that ranking for funding purposes — not for free school meal purposes — throughout his or her school career. Universal credit may also need to be brought into the picture over the next two or three years, and that might be one way of harmonising what is happening at primary and post-primary levels. However, we have left the door open and said that either method would be a way forward.

IDACI and the multiple deprivation measures are alternatives, but they have their own problems. They are not based on such up-to-date information, and they also treat all children from a geographical area

in the same way, and we know that they are not all the same. There are issues about all the measures of difficulties. None is perfect, but we think that free school meals can be improved from where it is currently.

Dr Eivers: We also suggest that the Department look at getting information on maternal education. That, in combination with free school meals, could be quite an improvement.

Mr Craig: Recommendation 21 intrigues me because it is a constant bugbear with me. I sit on the board of governors of a school in which less than 15% of pupils are on free school meals, making it one of the more affluent schools. My only difficulty with that is that I know for a fact that over 40% of the school's intake comes from one of the most deprived areas in Northern Ireland. Apart from that, the South Eastern Regional College has done a very good piece of research that clearly indicates that the areas from which the school predominantly has its intake has the lowest income per family in Northern Ireland. It has a predominantly unionist/loyalist background. There is a complete disconnect between free school meal uptake and the economic factors behind where the children are coming from. That can be down to pride, in that people do not want to take up the provision. There is evidence to prove that there is a disconnect.

Dr Eivers: Is the school in the post-primary sector?

Mr Craig: Yes.

Dr Eivers: That was a common complaint from a lot of post-primary schools, partly because of the different criteria used for primary schools and the fact that there seems to be a perception that primary schools are better at getting parents to sign up for free school meal eligibility, even if the pupils do not actually take the meals. It is not unique to the unionist community, I am afraid. Evan would probably be your man for that.

Mr Bates: I do not have much to add. As I said, we got a good relationship between the numbers in absolute poverty and the numbers claiming free school meals. That suggests that it is not such a huge issue. We also recognise that schools that have a concentration of pupils who are from a deprived background have additional problems. Eemer, perhaps you can elaborate on that.

Dr Eivers: It is a school context effect, I suppose. If there is a significant concentration of pupils or students from very socially disadvantaged backgrounds, they tend to bring their own problems and educational difficulties to the school system. Combined as a group, it is exponential in that things are much worse than they would be if they were in another school. If a child with a certain level of educational difficulties is put in a very affluent school, they will probably do OK. If they are put in a very socially deprived context, their difficulties magnify. In recognition of that, we have tiered the free school meal allocation. We have tried to simplify it from the way in which it was done previously. We have also put it in quintiles rather than thirds so that there is not a cliff effect when there is big difference in funding between a school on the border of one category and a school on the border of the next category. We hope that the use of quintiles will result in a gradual gradation in the amount of funding that is available to schools based on their intake, number of pupils, and so on. I recognise the issue of post-primary schools and the problem of complaints that schools cannot get parents to register is uniform.

Mr Craig: I will throw in another factor that has a big impact on the uptake of free school meals. The school has a very mixed profile, with pupils coming from very affluent, middle-class and working-class backgrounds. With that type of mix, parents are reluctant to put their head above the parapet and say, "Sorry, I am one of the working poor of this world."

Dr Eivers: The use of the "ever FSM" criteria would get around that problem. Once a child is tagged as getting free school meals at any stage in the education system, it would stay with them throughout. They would not get the actual meal, but, for funding purposes, they would still have the "ever FSM" tag attached to them so the school would gain more from a child. The difficulty with those criteria is that they slightly dilute the amount of funding per pupil based on social disadvantage. On the positive side for schools, however, based on the "ever FSM" mechanism, it would be easier to predict intake and the amount of funding. So, per pupil, there is slightly less funding, but from a school's point of view, it tends to be much smoother, and you can predict more easily what your funding will be from year to year.

Sir Robert Salisbury: If you do not mind my saying — this has nothing to do with the report — schools should work in a practical way at systems in which no one knows who is having free school meals. There are plenty of electronic systems now through which everybody pays by card, and there is no understanding or knowledge of who is getting free school meals and who is paying. Schools should look at something practical such as that.

Mrs Dobson: I want to follow on the theme of tackling social deprivation, which Jonathan started, before I come to my main point. Evan, you spoke in some detail about free school meals. Are you taking into account the funding for schools in areas of social deprivation across Northern Ireland, which has been provided by the Department for Social Development (DSD)? That funding has delivered fantastic benefits for schools in places such as my area of Craigavon. It is specifically targeted at the most vulnerable pupils to allow them to overcome the multiple issues of living in deprivation. You recommend increased weighting of funding towards schools with higher levels of deprived pupils, but have you taken that into account?

Mr Bates: We have simply looked at the funding that is coming through the Department of Education.

Mrs Dobson: Have you not looked at DSD funding?

Mr Bates: We have not looked at DSD funding.

Mrs Dobson: So it has not been considered at all.

As you know, the Committee has received a considerable amount of evidence on the proposed Education Bill. Time and time again, we have heard that education funding is not delegated enough to our schools. I have heard that from every principal to whom I have spoken. Is that borne out in the responses that you received?

Sir Robert Salisbury: It is borne out through the interviews and the call for evidence.

Mrs Dobson: So they are telling you that. I am, therefore, somewhat baffled by your suggestion, on page 54 of the report, that increasing the delegation of budgets to schools:

"would increase costs and lower efficiency."

Dr Eivers: That would be the case in certain circumstances, but not all circumstances. It is fairly logical that some things should be held centrally. If, for example, school transport was delegated to each individual school, you can imagine how the costs would shoot through the roof. That is an obvious situation in which something should be managed centrally. That is separate to the efficiency of how it is managed centrally.

Mrs Dobson: Do you appreciate the counterarguments that more delegation to schools would provide greater savings? Surely we need a balance. At present, we hear that the balance is weighted towards bureaucracy and that not enough money is going directly to schools. School principals tell me — I am sure that they tell every member — that a greater level of trust is needed, with a greater proportion going to schools. Is it not best to let them manage their budgets, and would it not be in the best interests of their pupils?

Mr Bates: We acknowledge that some 60% of the Department of Education's overall budget is allocated out through the aggregated schools budget to schools. We have set out details of how the remaining 40% is used. Much of that funding ends up supporting schools directly, and some of it feeds directly into their budget in delegated expenditure. Matters such as entitlement framework funding and extended schools funding are delegated to schools. However, there are other funding sources or funds that are not delegated and which feed directly to a school. Some teacher substitution costs, for example, are funded centrally, but they are used to benefit individual schools when teachers are on extended absence. I cannot say that we have had many principals telling us that they want that to be delegated. Generally, they are happy to get such additional central support when teachers are absent. Rates are not delegated, but does it really matter whether funding for rates is delegated? It will be a fixed cost, no matter where it comes from. Many items are not delegated but are either effectively unavoidable or are feeding into schools, and schools still make decisions about how to use the money.

Mrs Dobson: Surely it would make sense to give principals the greatest proportion initially. When principals read:

"it seems self-evident that delegation would increase costs and lower efficiency"

they will be throwing their hands up in horror.

Mr Bates: That refers to issues such as transport. There are a lot of views about efficiency and the amount of expenditure on transport.

Mrs Dobson: The report does not refer to transport specifically. I read out the quote that I know that principals will be reading.

Dr Eivers: There is a section on transport and catering on page 58, but it is also about substitution costs, and so on. Issues such as that can have a massive effect on a small school's budget, whereas if the funding is held centrally, it is much more manageable. If somebody is on long-term sick leave in a school with a couple of teachers, that could have a phenomenal effect on its budget. Holding funds centrally can be beneficial, particularly when there are a lot of small schools.

Mrs Dobson: Not to the principals. Thank you.

Mr Kinahan: The Chair touched on many issues. I thank the witnesses for a very thorough brief that raises loads of questions.

I will start with a general comment. You said that you are not looking at buildings, but so many costs are driven by buildings. I have two concerns: pupils and the need for education, and numbers. When we looked at all the library boards and the forecasted trends in pupil numbers, we saw that they all dipped from 2015 or 2016 but went back to the current levels by 2025. Has that been taken into account? I am always concerned that we are looking at empty places but will not be able to change all our buildings by 2025. It is going to be a long, slow process. Has the balance between buildings and numbers been taken into account in the funding?

Mr Bates: We looked at pupil numbers up to around 2018, but we are aware of those longer-term projections. Primary school pupil numbers are already starting to ease upwards, and that will continue. However, it will be another few years before there is a final turnaround in the post-primary sector. I think that they will start to grow again around 2016 or 2017, and that will, no doubt, continue for another seven years or so. As Eemer said, our focus has been on funding pupils rather than institutions. At present, there are, potentially, a considerable number of empty school places, which is less of an issue for us than there being too many small schools, particularly at post-primary level. That is the big issue. It is costing too much to run all those small classes.

Dr Eivers: Depopulated schools with empty places are not necessarily the areas in which, in a few years' time, there will be a slight increase. That is happening in other areas in which schools are already quite full. It is not a matter of holding on to a building for a while and hoping that the school population comes back in. In most cases, that is highly unlikely to happen.

Mr Kinahan: It concerns me that we do not have the funding to rebuild the schools. It would be ideal if we could rebuild the schools estate to fit, but we cannot do that. It is going to take years and years, and it will frighten off small schools by making them feel under threat. We cannot afford to rebuild.

Mr Bates: We will encourage small schools, particularly post-primary schools, to start to talk to other schools in their locality. It will not be a matter of closing every site, but sites could be amalgamated or reused in a different way. As you say, it will not be a full capital rebuild, which is not a feasible route.

Sir Robert Salisbury: The current formula militates against governors thinking of productive amalgamations because both schools would lose their small school funding. If two smaller schools are brought together to form one school that is more sustainable and viable, a lot of money is lost. That is why we built in an amalgamation — I was going to use the word "bonus" — feature.

Mr Kinahan: I would like to ask a lot of questions, but I can ask only one or two. How do you see small schools being funded? You referred to taking money out of mainstream funding, so it is still coming from the Department of Education's pot.

Mr Bates: We have not specified how it should be worked out. It would be a matter of the Department deciding that a small school must have a sustained future because it is essential. The example that we always single out, which is not really a fair one, is Rathlin Island.

The Chairperson: Careful. *[Laughter.]*

Mr Bates: It would be a matter of looking at how much funding the school is getting through the formula and what additional assistance is deemed necessary.

Mr Kinahan: When you spoke about voluntary schools, you said that, in certain circumstances, there would be options for schools to consider becoming voluntary. Will you expand on that?

Dr Eivers: There are a number of variables to consider. With a very small school, for example, it would not be ideal for a principal's entire day to be taken up with full financial delegation. Schools that have had difficulties remaining within their financial allocation would not be ideal candidates for the voluntary model. It would, however, depend on the Department. We are not necessarily recommending it but are simply saying that some schools have it. To a certain extent, it is purely by accident or by chance, so the option should be available to suitable schools. It would be up to the Department to set the suitability criteria.

Mr Bates: The practical implications need to be assessed in order to come to a judgement.

Sir Robert Salisbury: It would move towards your point about greater autonomy for schools.

Mr Kinahan: The report refers to the effective monitoring of spending, particularly of earmarked funds and others, yet many of the presentations that we have had in the Assembly or when we visited schools stated that schools are overloaded with all the extra little things that they have to do. Have you thought that through? Should another body or system do the monitoring? It is another task to try to stop teachers doing it themselves.

Dr Eivers: We suggest that, if possible, there should be fewer earmarked initiatives and a greater proportion of funding should be allocated to schools for them to do what they wish: a single-pot funding approach. With single-pot funding, the absence of small initiatives and paper filling reduces the administrative burden on a school. With that approach, however, there is a responsibility to show that money is being spent wisely. We were often told that a school had discovered a new initiative that teachers thought was great but which had no effect on a school's achievement or performance. We are saying that we want to give more autonomy to schools, but that comes with responsibility and accountability. If money is being spent, it must be spent carefully.

Mr Kinahan: We have to find that balance.

Mr Bates: One difficulty with initiative funding is figuring out in advance what will happen when the initiative comes to an end. More forward planning is needed on how things will settle down when the funding ends.

Mr Kinahan: Did you compare free school meals with the take-up of the education maintenance allowance (EMA)? One school that I visited told me that 14% of its pupils were on free school meals but 40% or 50% were on EMA. The guidelines can be very different.

Mr Bates: What was the second measure?

Mr Kinahan: EMA.

Dr Eivers: Not Eemer.

Mr Kinahan: Did you take that into account?

Mr Bates: You are talking about post-primary schools. We acknowledge that there is a lower take-up at post-primary level. We suggest a couple of measures to increase that. Schools could take the

measures and keep an eye on them to see whether further adjustment is required. Improvements could certainly be made.

Mr Kinahan: I agree with that.

The Chairperson: Evan, when we strike oil off Rathlin Island, Rathlin school will contribute to the educational provision of others rather than being a net receiver. We look forward to having a lot of oil sheikhs on the north coast.

Mr Bates: There will be fewer puffins though.

The Chairperson: We have to keep the puffins; they have to stay.

Mr Lunn: If you start fracking on Rathlin — *[Laughter.]*

The Chairperson: I would still be supportive.

Mr Lunn: Evan, some time ago, you commented that selective post-primary schools tend not to run at a deficit while the non-selective post-primary schools do. We have the figures here. No voluntary grammar or grant-maintained integrated school has a financial deficit, but 40% of non-selective post-primary schools do. I suppose that that means 60% of them do not. In simple terms, why is it that a voluntary grammar can run its affairs more efficiently than a well-run controlled secondary?

Mr Bates: That is not necessarily the right conclusion. We know that expanding schools have tended to be in an easier financial position. I think that we have presented plenty of information in the report to show that the grant-maintained integrated sector has grown over the period that we looked at. So, in many ways, it is not surprising that it has found it easier to stay on the right side of the deficit problem.

The way in which the funding formula has worked is that it has attached a very large weighting to sixth-form pupils. What we have also seen over the past few years is that, although post-primary numbers have fallen, the grammar schools and selective schools have managed to maintain their pupil populations fairly well. There has been a slight decline, but the large amount of sixth-form funding has been particularly beneficial to the grammar school sector. So, it is not just a matter of canny financial management by bursars. It is to do with more generous funding, too.

Mr Lunn: That is exactly what I hoped you would say — that it is a combination of things. For a start, it is to do with the fact that some perfectly good secondary schools have been denied the opportunity to have a sixth form. It is also to do with the fact that, over many years, voluntary grammar schools have been allowed to increase their enrolments way above the level intended and, through their selection system — or by ignoring that system in current years — to Hoover up as many pupils as they can jam in. That has meant that they have benefited from this system. That has produced an artificial comparison, because those factors now indicate to a layman looking at this that, in simple terms, voluntary grammar schools run their affairs better than controlled secondary schools, but that is not really the case.

Mr Bates: Certainly non-selective schools with declining enrolments have faced particular problems. We have tried to make sure, through the new formula, that there is some additional support.

Mr Lunn: I do not want to start a selection argument here. Those were your comments to start with.

As regards the question mark over small primary schools, I see here that the small-schools support ranges from about £2,400 to £6,000. The smaller the school, the higher that figure goes. In fact, in your document, it goes to over £13,000 per pupil in extreme cases. That probably means that those schools are operating within their budget. However, that is a mighty artificial budget, because they receive such a level of state support. What happens if they satisfy the criteria to stay open, such as community use, results and all the other inspection factors, and that budget is the only item on which they fail, but you cut that special support? I think you are advocating that that support should be cut dramatically. The only balancing factor that I can see in the new core elements is the lump-sum fixed-cost payment. If you have to balance by taking away from one hand and giving to another to keep the school open, there is no change. It is still being artificially supported.

Mr Bates: Yes, the impact of the figures at primary level is that additional support is still going in for smaller schools; it is just at a lower level than it is currently. We have not removed it in its entirety. We have covered the ground already. I cannot add much more to that. We are reducing support for small schools, and we expect that some schools will have to close or amalgamate as a result.

Dr Eivers: We are not saying that all small schools should close. We fully realise that some are very necessary. We do not expect kids on Rathlin to swim to shore to go to school.

Mr Lunn: I could probably cite cases other than Rathlin Island.

Mr Bates: Yes, there are many.

Mr Lunn: Basically, you are not averse to the principle that some quite small schools may still need to be supported in the same way as they are supported now, for reasons other than budget.

Mr Rogers: You are very welcome. I acknowledge the difficult task that you had in compiling this report. I want a bit of clarification on the small schools policy. You talked about the designated rural school and said that the extra funding may be due to travel. You also mentioned community need. First, what is a designated rural school? Will you clarify a bit about community need?

Dr Eivers: We have not designated rural schools as such. We are saying that the Department should assign a designated small school status, rather than a school being a de facto small school because no one goes to school there anymore. At one extreme, you might have two urban schools across the street from each other, both with declining enrolments and both of which are now small schools. Logically, there is no need for the two of them to be there in most cases, and you can contrast that with the small rural school where the nearest other school is 10 miles away, for example. In such a case, there is a need for that school locally. One is clearly a good candidate for designated status. The two urban schools, on the other hand, are not good candidates in my mind. Does that help?

Mr Rogers: Yes. I understand that travel is a factor. Community need is mentioned as another factor. What are you thinking of there?

Mr Bates: We have not specified that because we were leaving room for the Department to work out what that new policy would be. You could think of circumstances where a community was getting quite isolated in one way or another. You can put it in religious terms if you like. We are not facing up to that issue but pushing that to the Department to work through. There may be particular circumstances where a community feels that it will be more difficult in that village or town to work together with another school, but, in a different part of the country and a different town, the same issues may not arise. There may be a bit of flexibility, depending on the particular circumstances of particular communities.

Mr Rogers: Yes, you mention that you have pushed it back to the Department.

Mr Bates: The main issue should be travel distance and travel time.

Mr Rogers: Sir Robert mentioned that, in the old system, two small schools were not really encouraged to come together because of the budget. Have you suggestions on how two small schools could be encouraged to collaborate for funding?

Dr Eivers: Do you mean how they could collaborate for funding at the moment?

Mr Rogers: No, as we move ahead, how could two small schools be encouraged to collaborate? For example, funding for the entitlement framework encouraged post-primary schools to work together. I know that you have suggested that that should be continued.

Mr Bates: Temporarily.

Mr Rogers: Yes. Have you any thoughts about how we could encourage small primary schools to collaborate more? In other words, what financial help would they get?

Mr Bates: We would hope that they would start discussions with neighbouring schools to try to tease out a way forward. Different models exist, and, to be honest, I am not sure that I can explain the differences between them all. There are soft federations, hard federations and amalgamations, and, in some cases, simple closures can be used as a way forward. It would be for different communities to work out what would be best in their own locality.

Schools working together is a slightly different issue. We would like to see more opportunities for schools to share budgets in some way in order, perhaps, to recruit a member of staff who could provide services across two or three schools. That is slightly different from the issue of mergers of small schools.

Dr Eivers: At the moment, the formula actively discourages two small schools that want to amalgamate from doing so, because they lose all their small-school funding. We want that penalty removed, and we want to actively support initiatives for amalgamations. That came up in the stakeholder meetings; a number of people said that, as is, they would consider merging with a school in their village or town, but they could not do so because they would lose hundreds of thousands of pounds in funding. We want to remove that.

Mr Rogers: OK, thank you.

The Chairperson was looking for recommendation 16, but I went straight to recommendation 13 for some reason. It is concerned with special education needs, and it states:

"The Department of Education should consider targeting funding and resources at the collective needs of statemented pupils within a school, rather than allocating physical resources or services to individual children, irrespective of circumstance."

Those last few words are very powerful. I am thinking again of a small rural primary school that has two or three children with special education needs, as opposed to a school with 200 or 300 pupils.

Dr Eivers: That recommendation is probably coming from the reverse direction. Larger schools with a larger number of children would have a special needs assistant. The recommendation came about as a response to complaints from principals and teachers that they were tripping over four or five teaching assistants in a classroom. As we say in the report, we have the "Velcro" or the "helicopter" model, which is where the assistant is stuck to the child's side and is actively interfering in the child's education because he or she is not enabling or allowing them to function as independent learners. In some circumstances, we hear that they are actually functioning as a teacher, which is not what we want at all. The teacher should be the child's primary educator; the assistant is there not to teach but to facilitate. In some cases, it is bad management within the classroom, where you have a large number of additional adults. It is actively interfering with the job that the teacher wants to do.

We are not saying that schools should not be given the resources. We are saying that they should be allowed to have more control over how they implement their resources. Does that make sense?

Mr Bates: It is more of an issue at stage 5 of the SEN process, as it is currently.

Mr Rogers: I would find the contrary to be the case, particularly in rural schools. It is certainly not the case that classroom assistants are falling over one another. It is the other extreme, where the classroom assistant cannot get round everyone in the couple of hours that she has to service all the needs in the school.

Mr Sheehan: Thank you very much for your presentation and for your report. I have just a couple of short questions.

I wonder whether you have given consideration to how there can be an uptake of free school meals in schools where there is clear evidence that the uptake does not correlate to the levels of deprivation in the area?

Mr Bates: We have put two proposals forward. The first is to bring up the criteria for free school meals in post-primary schools to the level as those in primary schools, and that will help. The ever free school meals model would help, too, because pupils would continue to attract funding all the way through their school career.

If that —

Mr Sheehan: I am sorry; is that even from primary school —

Mr Bates: It is from primary into post-primary. We have heard that some primary school principals are quite good at getting parents to come forward to register for free school meals. In that situation, that provision would continue with the child right the way through post-primary school. We suggest that we should do that, see how it goes and, if need be, take further action. Eemer mentioned the significance of maternal education as an indicator of pupil attainment and the problems that children face with pupil attainment. There may be scope at a later stage to review again, but, for the moment, we thought that it was best to improve what was there, rather than start something afresh that might confuse and complicate the position.

Mr Sheehan: I have one other question. How do you envisage changes to the funding formula will impact on the Irish-medium sector?

Mr Bates: We have largely left the amount of funding support that goes in there as at present. The exception is at the post-primary level, as there was a curricular support factor, which, for no obvious reason, was approximately four times higher for primary than for post-primary. So, we brought that up at post-primary level. Other than that, the level of overall funding to the Irish-medium sector is about the same.

We did simplify it, though. There were separate factors for Irish-medium units, and we brought those together. However, we anticipate that, overall, the same amount of money will go to support Irish-medium education, plus that little bit extra for post-primary.

Dr Eivers: We also changed the focus slightly. Prior to this, the focus was on Irish-medium schools, and there was another factor for Irish-medium units. We have converted both to the pupil rather than to the school or unit. We also fixed that anomaly at post-primary level.

The Chairperson: Before I go to Danny, I want to return to the point that Trevor raised about the voluntary grammars and their structures and recommendation 3. On pages 46 and 47 of the report, you refer to the issue of autonomy. In paragraph 23, on page 47 you state:

"Given the extent of this autonomy, both VG and GMI schools must provide DE with necessary assurances that financial and management controls are in place, which are appropriate and sufficient to safeguard public funds and to protect assets from loss, waste, fraud or impropriety."

That is the case; they are subject to a raft of various controls, and they deliver the goods.

Paragraph 26 deals with how we have got to a stage where there are huge deficits in the maintained and controlled sectors, albeit that 20-odd schools out of 300 post-primary schools have a deficit — I think that we need to keep it in proportion. In paragraph 28, you state:

"Critically in practice budget delegation has been combined, with very limited accountability for schools."

You are saying that there has to be huge accountability in one sector that gets money directly from the Department, but, as you continue:

"Delegation has never been removed from any school, even where a large and increasing deficit has been incurred."

Surely it is a scandal that a board or the Department has allowed a situation where it seems as though schools have been given a licence to print money? Schools have decided that they are not going to pick up the tab because someone else will. If that happened in a grant-maintained integrated school or a voluntary grammar school, it would have to go the bank and subsidise any additional costs through its own process and system. Why has that happened? What conversations have you had with the Department about why that has been allowed to happen?

The Department of Finance and Personnel (DFP) and the Department of Education have more accountabilities than there are matches in a box. Why have we got ourselves into such a state in a small number of schools?

There was concern that this paper was straying into the policy around selection, and so on. That should never have been the remit of this report. It should have focused clearly on what it was about, which was the funding of schools. Surely the report should have looked at the reasons why the processes have brought us to the stage where there are huge deficits? Other than that comment, I do not see much else. Did you ever ask the Department why that delegation was never removed by the Department, a board or a managing authority such as the Council for Catholic Maintained Schools?

Mr Bates: That would have been an issue for the education and library board that was directly dealing with it. The sense that we have gained is that things have tightened up and there is now tighter control over schools moving into deficit. However, seemingly, there are schools that have deficits that go back beyond 2005. I think that we suggested somewhere that the Department needs to look at how those deficits are handled.

If a deficit was not curbed 10 or 15 years ago, staff may have moved on, and the pupils will certainly have moved on. The obvious problem is how those deficits should be dealt with and what the best way of dealing with those historical deficits is. Schools may, more or less, be breaking even year by year, but those historical deficits are still hanging on. That needs to be looked at. It also brings in wider issues about how the overall budget cycles are dealt with at a government level.

Dr Eivers: That is an implementation issue. We were more concerned with the broader theory or how it should work. How it works is down to the Department, not us.

The Chairperson: Correct me if I am wrong, but there was no reference in the report to end-year flexibility, the connection with DFP or the financial arrangements that are sometimes hard to get a grasp on. Did you refer to those? There is a pot of money, which keeps perpetuating every year and which schools can draw from. If you are cute at what you do, you will be able to ensure that you have your budget. We had an issue with drawdown, where £10 million was not drawn down in the past financial year and £5 million was not drawn down this year. Did the panel give any consideration to that issue and its impact on the money available for schools?

Mr Bates: We looked particularly at the aggregated schools budget and some additional funding streams outside of it. There are wider issues about how deficits and surpluses are managed. We have acknowledged that surpluses are larger at the moment than deficits, but they are also beginning to come down. I think that the surpluses are mainly in the primary sector. We did not look at the wider issues about drawdown in relation to DFP, and so on. Clearly, that is part of a wider financial management issue for the Department.

Dr Eivers: From our point of view, surpluses are just as interesting as deficits. If we have handed public money to a school, it has a duty to spend it and not put it in the bank.

Mr Kinahan: Thank you for letting me come back in. There is a comment in our notes. On page 56 of the report, when you referred to post-16 education, you indicated that there is no need for large schools to collaborate, except in the case of specialisms. We are pushing towards trying to have a shared education system, and that is one of the few areas in which people share, particularly as area planning seems to be dividing our schools into two separate groups and ignoring the integrated sector. When you add to that the panel's advice that a revised scheme cannot be brought into effect in 2014-15, you are sort of indicating that the Department should be looking at recommendations in two years' time. We need to look at funding that actually helps shared education and schools working together, yet that is saying the complete opposite.

Mr Bates: The point we are making is that there are levels of collaboration that are essential. One that we focused on in particular related to further education. We are aware that further education colleges have some excellent facilities for some types of training and learning, and we are very keen that young people who could benefit from those facilities get the opportunity to do so. That needs collaboration between schools and further education colleges to deliver.

The wider point is one of collaboration to deliver the entitlement framework. There are practical issues that come in if pupils are spending too much of the day travelling between one school and another. There may also be timetabling issues, which I am sure Sir Bob can talk about, such as how you try to

co-ordinate timetables across a number of schools. The way forward on some of that seems to be trying to deliver a bigger bulk of that school-based education within the school itself, rather than having pupils travelling too much between one school and another, because that wastes an awful lot of time.

Mr Kinahan: That is really looking at it from a purely financial point of view, whereas, actually, there is a benefit, which you cannot weigh financially, from sharing and getting people working together, even if it is at that late stage in education.

Sir Robert Salisbury: I always caution about how far collaboration can actually go before it starts to impact on the curriculum lower down the school, particularly if you have two or three schools working together. You set the timetable for the post-16 provision, and you suddenly find that, the deeper that collaboration goes, the more it destroys the timetable. You might have to have two or three teachers for one subject for one class further down the school. There is a limitation on collaboration.

I do not want to go into it now, but we have made recommendations about post-16 education and some of the things that ought to be looked at there, because that is another area of duplication of resources and courses. There are schools offering subjects where there is clearly no educational value to being in a class where there are only three other students, and it is not cost-effective. There is a whole range of policy that needs to be looked at, and we referred to it in the report.

The Chairperson: The other thing is the fact that, other than anecdotal evidence, we do not have the cost of the entitlement framework to schools. It seems as though it is costing a huge amount of money to transport a very small number of pupils. In Ballymena, in my constituency, I saw a flow chart that showed where pupils were going. It made the spaghetti junction look as though it was easily understood and the London Underground look a doddle, because there were something like 900 variations of journeys. How, in the name of goodness, could that be in any way efficient if you are looking at it purely on the basis of finance? We have nothing here either, in relation to how we substantiate the cost of that process. I think that is something that will be a concern to us.

Dr Eivers: It is not just a cost issue. From the student's point of view, it is a waste of time to be spending your day on the bus. You want to be educated in class, learning with a reasonable-sized group of your peers, rather than sitting on a bus with two or three others and then going to a class somewhere else.

Mr Lunn: I was not going to ask about that, but I am glad that somebody did, because I think that you have struck exactly the right note in those paragraphs. The ongoing argument about trying to bring children together on a cross-community basis is well made, but this collaboration needs to be kept in balance. The coming together of children who might not have known each other otherwise is a happy by-product and not the intention of that collaboration. In the area learning communities and so on, and all the various things, there is an enormous amount of this going on. I will not say that it is all bad, but I think some of it is not very economical.

What I wanted to ask you about — and thanks for letting me back in, Chairman — was recommendation 29. Most of your recommendations are quite definite, even forthright. Recommendation 29 just says that the balance of funding between primary and post-primary should be kept under review. That is hardly rocket science. They have been doing that for many years. Sir Bob, you have a lifetime of experience in the English system. What do you think of the balance of funding between primary and post-primary, as it stands?

Sir Robert Salisbury: One of the difficulties we had from the outset was finding what you might call core costs to educate youngsters in primary, post-primary and post-16. The calculations for what it actually costs have been lost in the dim and distant past somewhere. One thing that the Department should try to work out is the core cost, per student, of running an average-sized school. That would give you a much better indication of whether the balance is fair. I am sure Emer will comment in a minute about international evidence around primary spending. Many of the primary heads who took exception to the difference, as the Chairman said, had not brought in the other funding streams to get a true practical level of what money was being put into the small school support, etc. Our overall view, as Emer said, is that once money becomes available, maybe more money should go into primaries.

Dr Eivers: I think most people tend to focus on the AWPU and say that it is the difference between primary and post-primary. That is not quite the case, as Sir Bob said, once you factor everything else in. It is hard to get parallel figures from the different library boards, and so on. We estimate that the amount spent on a post-primary pupil is roughly 1.4 times the amount spent on a primary pupil. That

is significantly higher than the average across OECD and EU countries. We are definitely in favour of better balancing between the phases of education.

As I said before, the issue is that removing funding from the post-primary sector, point blank, right now, would, in all likelihood, cause chaos. So, we see a gradual addressing of the fragmentation in the post-primary sector and a gradual increase in the allocation of funding to the primary sector. That is our preference.

Mr Lunn: The comparison with Europe is OK, whatever it is, but —

Dr Eivers: And with England.

Mr Lunn: I am curious about the comparison with the rest of the UK. Are we far out of line with the model in England?

Dr Eivers: Yes. England shows a much better balance between primary and post-primary.

Mr Lunn: In England they have a much better balance?

Dr Eivers: Yes.

Mr Lunn: Is a lot more money going into primary?

Dr Eivers: As a proportion of the overall budget, yes.

Mr Bates: Except it is actually extremely difficult, for reasons that we have pointed out in the report, to draw those comparisons with the United Kingdom. There are lots of differences in the way the numbers are calculated. We all agree that primary needs more funding, but, as we said in the report, structural change needs to happen first. We are proposing that there will be additional funding for larger primary schools through this process, and, once you bring in some of the mergers and amalgamations that might happen, the picture will become clearer. That is why we have said that you should look at it in the future again.

Dr Eivers: Logically, it is more cost-effective to direct a greater proportion of your funding at the primary and foundation stage anyway. You get better value for your money if you do that. I think that it is counterproductive at the moment, the way you have so much funding going towards the post-primary sector and so little towards the primary sector, relatively speaking. We would definitely advocate a rebalancing. However, you cannot do it overnight. You have to be practical about it.

Mr Lunn: I do not think anybody here would disagree that the added value of extra money going into early years would be plain to see in later years, but it seems to take forever to actually bring those changes about.

The Chairperson: It is not just a simple matter of primary and post-primary; it is preschool and primary as well. We spend a huge amount of money on preschool provision, and there are ongoing debates — look at the framework debate and the early years debate — as to how effectively, or ineffectively, that huge amount of money is being spent. I think there is a huge disparity between providers, and we have seen various comments made by different organisations. Clearly, it all has an impact as the child makes his progress through the education system.

Sir Bob, Evan, Eemer, thank you very much. Thank you for the time that you have spent on the report. I have no doubt that this will cause debate and discussion in the system as it gets out into the public ether. It was launched, but maybe other events sort of masked it, and people did not realise that it was out there. I know that that was not deliberate; that was not your intent. We have a role and responsibility to see how we can respond to it. Thank you for your contribution today, and I wish you well in the future.