



Department of  
**Education**

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25<sup>th</sup> August 2010

## **BUDGET 2010 – SPENDING PROPOSALS**

1. Your letters of 1 and 7 July refer.
2. I have attached details of DE's Budget 2010 resource and capital spending proposals that have been submitted to DFP for consideration. These proposals demonstrate the range and breadth of financial pressures on the education budget.
3. The Committee is aware of the potential for significant resource constraints on all Departments right across the Budget period. Of course, the Executive must await the outcome of the national Spending Review before knowing the overall impact at Block level and before assessing the potential implications for individual departments. However, in light of the pressures listed, it is clear that the impact of any significant resource constraints would be extremely difficult to deliver from the education budget without impacting on frontline services and policy priorities.

4. The majority of the resource education budget relates to salary costs (around 80%) and it is therefore unlikely that significant savings could be secured from the education budget without reducing staff numbers and impacting directly on frontline services. The Minister will be striving to avoid such a scenario and will be looking for support from the Committee on this matter.
5. Indeed, given the backdrop of financial constraints, the Minister is determined to maintain a strategic focus which will enable services and jobs to be protected as far as possible. The overall aim will be to continue to deliver quality education for all children and young people and make the best use of resources available. As a starting point, this will mean reducing bureaucracy and streamlining services.
6. One way to drive out efficiencies, identify savings and protect frontline services is through the immediate establishment of ESA and in the context of Budget 2010, it is even more critical that ESA should be established without any further delay.
7. I would also draw the Committee's attention to the Department's capital spending proposals. Given the size and value of the schools estate and the historic levels of underinvestment in capital renewal, there is a pressing need for significant investment to meet statutory requirements, both in maintaining the integrity of the estate as well as investing in renewing the basic infrastructure. There is a large backlog of capital projects, identified in the Investment Delivery Plan (IDP) and ISNI Strategy which are still to be addressed.
8. It is important to note that the Education capital budget also covers investment in transport, youth and early years as well as minor works in an estate of over 1,200 schools. Continued investment in maintaining the fabric of the schools estate and in addressing priority improvement works is imperative.

9. I trust the Committee will find this information helpful.

A handwritten signature in black ink that reads "John Leonard". The signature is written in a cursive style with a prominent initial 'J'.

**John Leonard**  
**Departmental Assembly Liaison Officer**

## APPENDIX A

### BUDGET 2010 – DEPARTMENT OF EDUCATION’S SPENDING PROPOSALS

I. In accordance with the guidance issued by DFP, Departments were asked to submit details of their resource and capital spending proposals for the Budget 2010 period (i.e. 2011-15) by 30 July 2010.

II. The table below summarises the spending proposals submitted by DE to DFP for consideration:

	£m			
	2011-12	2012-13	2013-14	2014-15
<b>Resource Spending proposals</b>	<b>174.2</b>	<b>210.4</b>	<b>301.0</b>	<b>359.2</b>
<i>of which:</i>				
<i>Admin</i>	2.4	4.7	7.4	10.0
<i>Other Resource</i>	171.8	205.7	293.6	349.2
<b>Capital Spending proposals</b>	<b>203.6</b>	<b>273.7</b>	<b>319.2</b>	<b>308.3</b>
<i>of which:</i>				
<i>Capital</i>	192.6	257.7	301.8	292.9
<i>Resource Consequences</i>	11.0	16.0	17.4	15.4

#### Resource Spending Proposals

III. Appendix B provides a breakdown of the resource spending proposals submitted to DFP and this represents the **additional** amounts required (i.e. above baseline). A short explanatory narrative on each proposal is also included. These proposals have been submitted to DFP on the basis that they may need to be revised once the Minister makes any decisions in relation savings delivery plans. In addition, in view of the financial context in which the Budget 2010 process will operate these proposals (with the exception of any bids for potential redundancy costs) represent the absolute minimum requirements necessary to allow the Department to protect frontline services.

## Capital Spending Proposals

- IV. In addition to submitting the resource spending proposals the Department also submitted a number of capital proposals to DFP for consideration. In relation to capital, the baseline position across each of the Budget years was set to zero and so the proposals were submitted on the basis of the **full** amount required. Departments were also asked to identify any resulting resource requirements arising from capital pressures which would also need to be addressed e.g. the costs of initial furniture and equipment in new schools.
  
- V. Appendix C provides a breakdown of the capital spending proposals (and any resulting resource consequences) submitted to DFP and additional information on each of these proposals is set out in further detail below.

APPENDIX B

TABLE SHOWING BUDGET 2010 RESOURCE SPENDING PROPOSALS  
FOR DEPARTMENT OF EDUCATION

		£m			
Admin/ Resource	Description	2011-12	2012-13	2013-14	2014-15
Resource	Teachers' Pay	9.9	10.8	26.4	47.3
Resource	Non Teaching Paybill	4.5	18.6	35.6	53.6
Resource	Aggregated Schools Budget	7.3	18.1	28.5	37.0
Admin	Up-front costs for delivery of savings (redundancy costs)	2.0	3.6	5.4	7.2
Resource	Up-front costs for delivery of savings (redundancy costs)	56.3	34.8	76.2	68.3
Resource	Maintenance of Expenditure Levels for Non-Pay Elements of the Education Services (Resource) Budgets	9.0	20.1	33.0	46.7
Resource	Public Private Partnerships	8.6	11.6	14.6	15.2
Resource	Maintenance	30.0	30.0	30.0	30.0
Resource	Non Teaching Payroll Services	0.5	0.5	0.5	0.5
Admin	Departmental Administration	0.4	1.1	1.9	2.8
Resource	Departmental Administration	0.1	0.4	0.7	1.0
Resource	Convergence	12.4	14.3	0.3	0.3
Resource	Reducing Inequalities for Children with Special Educational Needs	0.6	0.6	0.6	0.7
Resource	Extension of Free School Meals Eligibility Criteria	10.2	10.5	10.8	11.0
Resource	Aggregated Schools Budget-Extension of Free School Meals Eligibility Criteria	11.6	20.3	20.3	20.3
Resource	Enhance STEM Education and increase supply of STEM skills	1.8	1.7	1.8	1.8
Resource	The Pre-School Education Expansion Programme (PSEEP)	1.0	1.0	1.0	0.5
Resource	Implementation of the Early Years (0-6) Strategy	2.4	3.6	3.5	4.0
Resource	Youth Work – Mainstream & Outreach Provision	1.0	2.0	3.0	4.0
Resource	Full Service Programmes - Use of Schools	1.8	1.8	1.8	1.8
Resource	ESaGS - Sharing effective practice ('specialist schools - new model')	0.8	1.5	1.5	1.5
Resource	Quality Start for Beginning Teachers	2.1	3.6	3.6	3.7
	<b>TOTAL</b>	<b>174.2</b>	<b>210.4</b>	<b>301.0</b>	<b>359.2</b>
	<i>of which:</i>				
	<i>Admin</i>	<i>2.4</i>	<i>4.7</i>	<i>7.4</i>	<i>10.0</i>
	<i>Other Resource</i>	<i>171.8</i>	<i>205.7</i>	<i>293.6</i>	<i>349.2</i>

- i. **Teachers' Pay** – this funding would allow for teachers' pay to be maintained at a level appropriate to sustain an able, committed and flexible workforce that will secure high and improving standards of school education for all children in the north of Ireland. The continued commitment of teachers is critical to the day-to-day running of schools and delivery of frontline services in education. It is also vital to the implementation of a range of Departmental policies aimed at raising standards of education and narrowing the attainment gap.
- ii. **Non Teaching Paybill** - the non-teaching paybill comprises 17 main groups covering employees of the Department's NDPBs and those staff employed in the Voluntary Grammar and Grant Maintained Integrated sector. This proposal represents the anticipated costs of the paybill following assumptions provided by DFP. The Executive has endorsed the Public Sector Pay Policy and it is DE and DFP's role to ensure that the pay remits adhere to this policy.
- iii. **Aggregated Schools Budget (ASB)** - the ASB provides the core front line funding directly to schools for the delivery of the education curriculum. To ensure that the Department can deliver on its main priorities of raising standards for all and closing the performance gap core front line services must be protected. If schools do not secure the necessary increases in funding to allow them to stand still then any successes achieved to date in raising standards and closing the performance gaps are likely to be eroded.
- iv. **Up-front costs for delivery of savings (redundancy costs) Admin and Resource** - this proposal is to address potential upfront costs of redundancies to enable savings to be delivered through staff reductions across the education sector. The proposal includes redundancy costs for teaching, non-teaching and Departmental staff and will need to be reassessed once the Minister makes decisions on where any savings are to be delivered and the impact that any

reduction in funding may have on workforce numbers right across the education sector.

- v. **Maintenance of Expenditure Levels for Non-Pay Elements of the Education Services (Resource) Budgets** - this funding would safeguard existing standards across education services by sustaining levels of resource (non-pay) investment at 2010-11 levels over the period 2011-12 to 2014-15, by taking account of annual inflationary increases based on current annual GDP forecasts. The bid covers the non-pay elements of a wide range of education services including School ASBs, ELB and VGS/GMIS centre costs and earmarked budgets, Youth and Community Relations, NDPBs such as CCEA and CCMS, certain miscellaneous services and provision for Early Years functions.
- vi. **Public Private Partnerships** – this increase in funding is brought about by PPP schools becoming operational and the resulting increase in the level of annual unitary payment.
- vii. **Maintenance** - this proposal is intended to meet priority maintenance and health and safety requirements, whilst reducing the maintenance backlog across the schools estate, bringing it towards a 'steady state' where the level of provision is closer to the level of need.
- viii. **Non Teaching Payroll Services** - this funding is an inescapable pressure which is required to ensure continuity in the delivery of the full range of payroll services to the non teaching education workforce within the existing Education and Library Boards.
- ix. **Departmental Administration** – this funding would allow the Department to continue be adequately staffed and would enable the Minister to accomplish the Departmental priorities with the necessary staffing complement.



- x. **Convergence** - in December 2009, the Minister announced in the Assembly that in the absence of sufficient progress in legislation to bring in ESA on 1 January 2010, efforts towards achieving the required £13 million savings in education administration would be taken forward by means of convergence. The main potential for savings through convergence comes through the release of staff under voluntary severance arrangements. This proposal seeks to ensure that sufficient funding is available in the next two financial years to release staff as appropriate and also would provide funding for the Pupil Services Project which is essential for delivering and supporting core services in ELBs.
  
- xi. **Reducing Inequalities for Children with Special Educational Needs (SEN)** - a sustained rise in the numbers of children with statements of SEN has placed ELBs under pressure to meet their statutory requirements to appropriately provide for each pupil. This funding would allow ELBs to address the significant knock on effect in terms of the resources and centralised services required by Boards to meet their statutory responsibilities in support of children with SEN.
  
- xii. **Extension of Free School Meals Eligibility Criteria** - in setting budget allocations for 2010-11 the Education Minister announced the extension of the eligibility criteria for free school meals to include full-time nursery and primary school children whose parents are in receipt of Working Tax Credit and have an annual taxable income which does not exceed £16,190 (in 2010-11). The new criterion is to be introduced on a phased basis with full-time nursery, Foundation Stage and Key Stage 1 pupils eligible from September 2010 with Key Stage 2 pupils becoming eligible from September 2011. This proposal would provide for the additional anticipated costs to allow for the implementation of the scheme.

- xiii. **Aggregated Schools Budget - Extension of Free School Meals Eligibility Criteria** – this funding is required to protect school budgets as a direct result of the preceding proposal. Within the Common Funding Scheme, Free School Meal Entitlement (FSME) is used as the measure of social deprivation. TSN funding distributions within the formula are based on assessed needs. If the needs are increased due to a change in policy, without additional funding for distribution across all schools within the formula, the net impact will be a reduction in core AWPU (Age Weighted Pupil Unit) funding for all pupils at all schools and phases.
- xiv. **Enhance STEM Education and increase supply of STEM skills** – funding from the Innovation Fund will come to an end in March 2011 and this proposal would address a range of services including meeting the commitments entered into by schools up to August 2011; increase wider exposure of the STEM module/truck at high profile STEM related events; continue the STEM Careers Education, Information and Advice and Guidance project to improve young people's knowledge and understanding of the opportunities for entering well-paid and challenging careers which require a background in STEM subjects; and provide for professional development for teachers to promote and support STEM in the primary and post-primary sectors within the revised curriculum.
- xv. **The Pre-School Education Expansion Programme (PSEEP)** - this funding is required to continue delivering a year of free pre-school provision for over 95% of all 3 year olds in their pre-school year whose parents wish to avail of it each year and maintain the current level of provision.
- xvi. **Implementation of the Early Years (0-6) Strategy** – this proposal would support the implementation of key elements of the Early Years (0-6) Strategy, which is currently out for consultation. This funding is likely to provide for the extension of Continuous Professional

Development for early years staff including to the non-statutory sector; the development of the family programmes currently on offer in Sure Start to a wider pre-school audience; and training to all pre-school setting staff for a speech and language programme.

- xvii. **Youth Work – Mainstream & Outreach Provision** - youth work in education targets social disadvantage but not at levels that allows for specific and sustained targeting. This additional funding allow for areas of disadvantage to be targeted and reach out to those young people who are marginalised and at greatest risk of not fulfilling their potential.
  
- xviii. **Full Service Programmes - Use of Schools** - there are currently 2 Full Service projects underway in North and West Belfast and these seek to improve the life chances of children and young people by targeting the most disadvantaged and vulnerable and aim to provide a better quality of life for children and young people through collaborative and joined-up service planning and delivery leading to improved educational outcomes, a commitment to 'lifelong learning' and an increase in employability. This funding would allow for a further network of 5 Full Service School Networks to be established focussing on areas of the severest social and educational disadvantage e.g. Derry, Strabane, Newry, Omagh and Belfast.
  
- xix. **Every School a Good School - Sharing effective practice ('specialist schools' new model)** – this funding would support the development and implementation of the specialist schools new model by providing funding to support 'outstanding/very good' providers in sharing their practice with other schools and contributing to improvement at a local and systemic level by engaging in capacity building (e.g. providing Continuous Professional Development opportunities) and outreach work.

- xx. **Quality Start for Beginning Teachers** – this proposal would provide for improved induction and early professional development programmes for all newly qualified/beginning teachers employed for one term or more in grant-aided schools from September 2011 and would enable effective collaboration arrangements to be put in place for schools/HEIs etc during early teacher education.

APPENDIX C

TABLE SHOWING BUDGET 2010 CAPITAL SPENDING PROPOSALS FOR DEPARTMENT OF EDUCATION

<b>Description</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Major Works (Capital)	£106m	£170.5m	£207.5m	£195.9m
Major Works (Resource)	£3.0m	£6.0m	£6.0m	£2.0m
Minor Works (capital)	£60.0m	£65.0m	£70.0m	£75.0m
Minor Works (resource)	£7.5m	£8.1m	£8.8m	£9.4m
Fire Risk Works (capital)	£2.0m	£2.0m	£2.0m	£1.0m
Fire Risk Works (resource)	£0.1m	£0.1m	£0.1m	£0.1m
Departmental ICT (Capital)	£2.6m	£3.7m	£2.0m	£1.8m
Departmental ICT (Teachers Pensions/ Payroll) (Resource)	£0.1m	£0.1m	£0.1m	£1.0m
Youth Services	£6.0m	£7.0m	£9.0m	£11.0m
Schools Transport	£9.5m	£4.7m	£6.2m	£4.2m
Special Education (Middletown)	£3.2m	£0.5m	£0.1m	-
Early Years (capital)	£3.3m	£4.3m	£5.0m	£4.0m
Early Years (resource)	£0.3m	£1.7m	£2.4m	£2.9m
<b>Total</b>	<b>£203.6m</b>	<b>£273.7m</b>	<b>£319.2m</b>	<b>£308.3m</b>
<i>Of which:</i>				
<i>Capital</i>	<i>£192.6m</i>	<i>£257.7m</i>	<i>£301.8m</i>	<i>£292.9m</i>
<i>Resource consequences</i>	<i>£11.0m</i>	<i>£16.0m</i>	<i>£17.4m</i>	<i>£15.4m</i>

- i. **Major Capital Projects** – this funding would meet the continuing programme of major works over the Budget 2010 period and would allow for the continuing delivery of the projects as outlined in the Investment Delivery Plan (IDP). This funding takes account of the consequence arising from the revised capital budget for 2010-11 and the recent capital review undertaken by the Department as it is expected that new, in-year major works projects will be released in the last quarter of the current financial year. It is also anticipated that 13 Major Capital schemes will go on site this financial year and taking account of 8 major schemes currently on site, there will be contractual commitments of £46/£24/£3 million over the period 2011-12 to 2013-14. This funding would also allow for further schemes in the last two years of the Budget period. The associated resource element is to cover items of Furniture & Equipment costing less than £3k, which are met from the resource budget.
  
- ii. **Minor Works** - there is a pressing need for the Department to develop a longer term strategic approach to the development and maintenance of the estate to ensure cost effective use of public funds. There needs to be a balance of spending between minor works and new capital builds. This funding would allow for a structured approach to maintaining the integrity of the schools estate and represents a conservative estimate of the capital investment needed to maintain the current estate, which is large, diverse and widely dispersed. The associated resource element is to cover items of Furniture & Equipment costing less than £3k, which are met from the resource budget.
  
- iii. **Fire Risk Works** – this funding would address the requirement to ensure all schools can meet new legislative regulations in relation to Fire Risk, which are to be introduced by the end of 2010. Funding is required beyond the 2010/11 financial to allow for completion of Fire Risk Assessments across the school estate and to complete the

programme of minor works that will arise from carrying out fire risk assessments at each property. The associated resource element is to cover items of Furniture & Equipment costing less than £3k, which are met from the resource budget.

- iv. **Departmental ICT** - this funding is required for a number of projects including Pupil Services in each ELB; to maintain ICT support for the core range of finance and accounting services provided by ELBs; to support CCEA's ICT infrastructure and for health and safety improvements to corporate facilities; Teachers' Pensions and Payroll projects; new additional or replacement of certain items of equipment to help keep the STEM Truck up to date with the latest technologies; and departmental ad hoc software licences and IT equipment. The associated resource funding is required to set up and deliver the procurement and contractual aspects of the projects and to meet service costs post implementation.
- v. **Youth Services** – the youth capital budget will focus on the modernisation of the youth estate through a combination of new build and refurbishment of existing premises to bring properties up to current Health & Safety, Fire and Disability Discrimination Act standards.
- vi. **Schools Transport** - compliance with new Health and Safety Legislation, to be introduced in the coming year, will require new lighting and signage on school transport with a view to reducing accidents in the vicinity of buses. This funding would allow for the new legislative requirements to be addressed as well as for the continued renewal and upkeep of the schools transport fleet.
- vii. **Special Education (Middletown)** - the Middletown Centre for Autism has not been able to progress as planned as a result of the failure by the DES to confirm its element of funding for the project. This funding would allow for associated building costs at the Centre.

viii. **Early Years** - Capital bid contains two elements- (i) Implementation of the Early Years (0-6) Strategy and (ii) Capital small grants programme to modernise/improve facilities that deliver pre-school and early years programmes, including Sure Start. Priority for this programme is given to applications that address health and safety or increase access for special needs. The Resource under the Early Years (0-6) Strategy will be used to support costs arising from capital funding linked to an extension of the Sure Start Programme, including the Programme for 2 -3 year olds and the enhancement of IME pre-school provision.