



**Northern Ireland  
Assembly**

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**COMMITTEE  
FOR EDUCATION**

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**OFFICIAL REPORT  
(Hansard)**

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**Education Budget 2011-12**

12 October 2011

**NORTHERN IRELAND ASSEMBLY**

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FOR EDUCATION**

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**Members present for all or part of the proceedings:**

Mr Mervyn Storey (Chairperson)  
Mr David McNarry (Deputy Chairperson)  
Ms Michaela Boyle  
Mrs Brenda Hale  
Mr Conall McDevitt  
Mr Daithí McKay

**Witnesses:**

Mr Trevor Connolly ) Department of Education  
Mr John McGrath )

**The Chairperson:**

John McGrath, you are very welcome back to the Committee. I have not seen you for a while. We had almost forgotten what you look like.

**Mr John McGrath (Department of Education):**

Perhaps I should have left it like that. *[Laughter.]*

**The Chairperson:**

Trevor, you are also welcome. On a point of procedure, John, you will remember the issue that

arose in September 2010 over papers and delays. You said at that time that officials apologised for the late delivery of papers to the Committee, acknowledged that that was inexcusable and informed the Committee that the arrangements for providing papers on time would be reviewed. You said that the Department would do its best to secure an improvement. We received this paper only yesterday. Is there an explanation for why it was so late?

**Mr McGrath:**

Obviously, we are keen that the Committee get papers in sufficient time to interrogate us about them. It does not help you to get them late, and it does not help us if we turn up and you have only just got the papers. We will look into that. We are intent on trying to ensure that, as far as possible, the Committee gets papers in reasonable time and in line with its requirements. I know that the Minister is also very keen on that.

As always, we are very happy to be here to help the Committee. Members now have an updated version of the budget distribution table. Following agreement on the resource allocation plans (RAPs), with the education and library boards in particular, the distribution table now includes a breakdown of the 2011-12 education and library board centre budget. The figure work in the table has not changed from that previously given to the Committee. Rather, we have provided further clarification, which I hope that Committee members have found useful.

It is important to note that the budgets in the table in years 2, 3 and 4 for the Budget 2010 period are still essentially for planning purposes at this stage. Members will recall that when the Minister attended the Committee in June he advised of his intention to review budget allocations for years 2, 3 and 4. We are involved in that process for him, particularly on finalising year 2.

Members may wish to discuss the education budget for 2011-12 in further detail. On Monday of last week, Trevor and Colleen attended the Committee to discuss the Department's proposals for the October monitoring round. I understand that the Committee sought further information on a number of issues following that briefing. We will endeavour to issue that information to the Committee as soon as possible, particularly bearing in mind the points that you made earlier, Chairperson. We will be happy to address those or any other issues that the Committee has today.

**Mr McNarry:**

Can you give us an assurance that the Department's responsibilities will be fulfilled within the budget?

**Mr McGrath:**

The Department's responsibilities will be fulfilled as much as is possible within the budget. We will run the schools system and deliver early years and youth services. The extent to which we can do those is in line with the budgetary provision.

**Mr McNarry:**

Just to be clear, what you are saying is that the responsibilities undertaken by the Department can be carried out within this budget.

**Mr McGrath:**

That is our view, yes.

**Mr McNarry:**

I note that the costs of free school meals entitlement are going to increase by more than 50% — from £3 million to £4.8 million. What is that down to? Is it down to extra costs, extra children or something else?

**Mr McGrath:**

No, the line for free school meals reflects the enhanced entitlement that the previous Minister approved, bringing more children into the free school meals net. It is a phased broadening of the entitlement. That is why it starts off at £3 million and eventually works its way up to that figure of around £4.7 million or £4.8 million.

**Mr McNarry:**

You can fulfil your budget commitment to deliver that?

**Mr McGrath:**

Yes. That sum, David, was to allow more children to come into the net for free school meals, as allowed by the previous Minister. It is a top-up on the baseline provision. However, it is not unlikely that, given the wider economic picture here and the possibility of welfare changes, there could be a general increase in the take-up of free school meals. There is some evidence of that, so it would not be surprising if the take-up increased as a result of the economic pressures. You will know that take-up of free school meals is underutilised. Ironically, the stigma attached to receiving free school meals in many cases now does not apply. For example, in all the new schools that we have built, access to canteens is through fingerprint technology, so there is no way to identify those children who get free school meals and those who pay for them. That is all very good, but that could lead, in the next few years —

**Mr McNarry:**

If we were to see an increase, because of the reasons that you gave, are there contingency plans in place to cope with that?

**Mr McGrath:**

The budget table includes a contingency line, which indicates that, at the moment, we have £18·8 million, £26·2 million and £26·7 million unallocated over the three years from 2012-13 to 2014-15.

**Mr McNarry:**

I am sure that that would not be eaten up by school meals.

**Mr McGrath:**

No, but, at the moment, we do not know what is coming down the tracks. The Minister himself made that point. What if, because of the wider global issues, there were another squeeze on the Northern Ireland block grant? You will know of the recent issues with student fees, the outcome of which meant that our Department did not have to contribute anything extra. However, you cannot rule out there being unforeseen pressures, and that is why there is a contingency line in the budget distribution list at the moment. The extent to which that is eaten into, or not, will be one of the issues that the Minister will be looking at in the coming days.

**Mr McNarry:**

I am comfortable with your answer. I think that that is all plausible and very helpful, particularly to vulnerable people, and I am happy with that. The voluntary severance and redundancy costs are increasing from £25 million to £61 million, which is a jump of £36 million. How many voluntary severance packages are involved?

**Mr McGrath:**

The £25 million was spent last year on trying to get ahead of the curve on the cost reductions that were needed. We made provision over the period, along the lines that you have indicated, to take account of the fact that we expect to achieve the savings in management and administration that we are looking for and for which the Minister has set targets. There will need to be adequate provision to enable people to go. It is not unlikely that, if the school budget numbers remain largely the same, there will be some degree of teacher redundancies. However, we do not have an exact handle on that, so that is provision at the moment.

**Mr McNarry:**

That is disappointing. What does the provision mean? How many people do you expect to put themselves forward for voluntary severance pay?

**Mr McGrath:**

People accepting voluntary severance is a way of effecting savings.

**Mr McNarry:**

I know all that. You have obviously factored in a sum of money. What sum of money have you factored in to represent people accepting voluntary severance packages?

**Mr McGrath:**

The way in which we built that up, David, was to say that, if it is expected that £15-odd million of management and administration savings will be made through people taking voluntary severance, that is likely to cost us in the region of £25 million to £30 million, because it is around 2:1.

**Mr McNarry:**

How many redundancies do you envisage making provision for?

**Mr McGrath:**

It is not as easy on the teaching side. We have 1,200-odd organisations that have to make their own decisions. If we take £25 million out of the school budget this year, that may well have a delayed impact in the form of a reduction in teaching posts. At the minute, a further £60 million is planned to come out of the school budget next year, subject to the Minister making further decisions on that. If that is the amount to come out, and it is to be achieved largely through reduced manpower, a number of people will have to go. If, say, £30 million were to come out next year, it would cost more in redundancy packages. It is financial planning, not a people-counting exercise.

**Mr McNarry:**

That is extremely clear. It represents people and, therefore, is very important. I understand your comment about financial planning. It is quite robust and brutal in one sense, but it is factual and practical. However, it represents people, and I cannot work it out. I might be able to work it out if I took a lot of time over it, but I would have thought that you would have worked it out. How many teachers will be lost to the profession through taking advantage of the money set aside, which is to jump from £25 million to £61 million? That seems to represent taking out a sizeable number of people. If I can get an answer to that, I want to ask about the gaps. However, the gaps are for another day, if you know what I mean.

**Mr McGrath:**

You mean the gaps left by people going?

**Mr McNarry:**

Yes. There is a people element to this. We are talking about teachers but also about secretaries, administrators, caretakers and all sorts of people. Is it possible for you to break down those figures into categories of who will be affected by severance payments and redundancy payments?

**Mr McGrath:**

We can give you more detail on severance, because we know the specific targets that we have set for boards. We are beginning to start the severance process now.

Owing to the local management of schools (LMS) system, we know that school budgets are being reduced overall and that further reductions are planned. Decisions on how to cope with that reduction in the budget rest with each individual school. Therefore, if a school decides that it will shrink its teaching workforce or squeeze the administrative staff or classroom assistants, that is up to each school. The detailed picture is the aggregation of 1,200 schools. At a macro level, we are trying to guess the impact of taking out £30-odd million. I agree with you entirely that it is about people. For most schools, 85% of their budget goes on staff. Yes, it is about people. We are trying to plan —

**Mr McNarry:**

We are talking about people here when we talk about voluntary packages.

**Mr McGrath:**

Yes, but we are trying to plan at a macro level. I could not tell you the picture —

**Mr McNarry:**

The reason that I am pushing the point is that we have a duty to try to drive that down, because we are talking about people. We have a duty to try to assess the figures for people currently in teacher training posts and those thinking about pursuing a career in the teaching profession.

We also need to consider whether people are vulnerable if they are of a certain age and whether the packages are being designed to entice or be attractive to people of a certain age. That type of information is people-orientated, and, as such, the Committee needs to address it.

I am going across to the Stormont Hotel for a teachers' council event. At it, I will bump into a lot of teachers, who will ask me questions along similar lines to those that I am asking you. I bump into teachers all the time in my constituency, and parents ask me about teaching as a profession for their children.



At the outset, you said that many of the figures are for planning purposes, and I was pleased to hear that, because it means that someone is planning something. Therefore, I get disappointed when I hear that we cannot delve into the figures in the manner in which I want to. However, is there any chance that you could have a stab at doing it so that we might dissect the reasons for the increase? The contingency line gets bigger and bigger over the years. Next year or the year after, how many fewer teachers will there be than there are today? That is the crux of the matter. What will be the reason for that? Will it be the result of school closures, of policy or whatever? The answer to my question on how many fewer teachers there will be will paint its own picture.

**Mr McGrath:**

We can have a look at that. We can conjecture. It goes back to considering the top line in the budget. If a school budget were to drop over a certain period, the only way that that could be accommodated, largely, would be by having fewer people.

**Mr McNarry:**

I would be grateful if you could do that. In the table in your briefing paper, you have done more than conjecture. You have included figures.

**Mr McGrath:**

The exact make-up is the aggregation of 1,200 schools making their own decisions. The best that we can say is that if, for example, all the reductions were through reducing teacher numbers, it would come out in such a way. Or it might be a mix of reducing the numbers of teachers and classroom assistants.

**Mr McNarry:**

In the not-too-distant future, we will not have 1,200 schools. That will also be factored in. I would be grateful if John were able to have a stab at breaking down the figures.

**Mr McGrath:**

I am very content to have a stab at it.

**Mr McNarry:**

Can I put extra pressure on you by asking for that by the next meeting?

**Mr McGrath:**

We will see what we can do. We will do our best.

**Mr McNarry:**

If you do not have that information for the next meeting, will you have it for the meeting after that?

**Mr McGrath:**

Yes. Today is Wednesday, so if you want the information in time for the next meeting, we will have to compile it in the next two days.

**Mr McNarry:**

At the start of the meeting, we criticised you for not getting papers to us in time.

**Mr McGrath:**

That is my point. I am reluctant to make a commitment that I could get a paper together in sufficient time for next week's meeting.

**Mr McNarry:**

If, as a consequence of all that is going on, people lose their jobs, and we have made provision in the education budget to cover those job losses through severance pay or redundancy pay, we are entitled to know how many people that involves, rather than to conjecture and say that it is an awful lot of money.

**The Chairperson:**

We need to be clear about the provision that has been made. The provision is to cover the voluntary severance scheme at education and library board and Council for Catholic Maintained Schools (CCMS) level. We set aside £50 million, which went down to £25 million or £30 million, and we were aiming at getting around 450 people out. That was based on a single

education authority being established. It does not take into account school x in County Antrim deciding to make redundant two teachers. That redundancy payment will come out of the school's budget, which has been reduced, in the aggregated schools budget, by £25 million in total right across the country. Therefore, there are two —

**Mr McGrath:**

There are two strands to it, but the provision is meant to cover both.

**The Chairperson:**

That is what I wanted to be clear about. It is meant to cover both?

**Mr McGrath:**

We have an easier handle on the management and administration of organisations. We have clear financial targets. We will be processing applications. On the other side, we have to await schools' decisions. Although budgets are being reduced this year, some 800 schools have surpluses of some sort built up, and that will give some of them a cushion for a year or two before they have to make those decisions. However a number of schools are making basic reductions.

**Mr McNarry:**

That information would be very helpful in helping us decipher information. As a result of the school closures that the Minister is talking about, how many teachers will, for want of a better phrase, lose their jobs? How many of those teachers, if they do not take redundancy, can continue teaching elsewhere? As I said, we are talking about people — teachers and staff. We should try to get a better handle on this rather than just start this off by saying, "Hang on a second, this is the amount allocated in the budget basically to pay off people." Those are my words, not yours, but that is what it sounds like. That information would be helpful on all fronts.

**Mr McGrath:**

We will have a stab at it.

**Mr McNarry:**

Thank you.

**Mr McKay:**

On the issue of prompt payment, the figures are encouraging overall. However, there is a degree of inconsistency among the boards. Is there any particular reason for that? If we had an Education and Skills Authority, that issue might start to be addressed.

**Mr McGrath:**

Some of the problems reflect the systems that we have. In one sense, we have 1,200 cost centres. Small schools may, for example, have teaching principals and significant periods of closure. It is, therefore, not as easy to get turnover for prompt payments. There may not be sufficient clerical resources in some schools. Many staff may be part-time. It may be that the person who makes payments works only on Tuesdays and Wednesdays. It is not as though these things churn through a well-oiled public body. It can be hit-and-miss. Sometimes, schools have a lot of authorising signatories, with payments checked in individual departments.

**Mr Trevor Connolly (Department of Education):**

Another element is that not all the education and library boards have multiple payment runs each week. Therefore, if you are talking about payment within 10 days, a school can very easily fall into the following week's run because the bill is processed on Friday but the payment run is on a Thursday. Therefore, the school automatically falls out of the system. If there are multiple runs, that does not happen. I think that, to answer your question, the fact that not all education and library boards have multiple payment runs could be a factor. In most cases, the payment run will be on a Thursday, but that means that everything that is processed on a Friday falls until the following Thursday. When you are talking about payment within 10 working days, something as simple as that can immediately delay payments.

**The Chairperson:**

I will ask a question, John, that follows from a query raised in the Assembly on Monday about the Middletown Centre for Autism during the statement on the North/South Ministerial Council meeting in education sectoral format. We are told that there is still an issue around the budget for that project. When will we get some handle on how we run Middletown? We have no multi-annual plan. We are seven months into this budget period, yet no final decision has been taken on

that budget. That would not be allowed if it were an education and library board. You are aware of the interaction that there was in trying to sign off resource allocation plans, and eventually that was done. However, seven months later, Middletown's budget is still not settled. What is the problem with trying to resolve a budget for the Middletown centre?

**Mr McGrath:**

I am not that well sighted on Middletown. Obviously, the budget and the forward planning is an issue for the two Administrations. When there are reporting lines, that always complicates matters. I know that there is dialogue going on with our colleagues in the Republic on where they see the centre going and on the budgetary concerns that the Department of Education and Skills down South is trying to grapple with. However, I do not have the information at my fingertips.

**The Chairperson:**

I would be happy if you would write to us with it, John. Will that do?

**Mr McGrath:**

Yes.

**The Chairperson:**

There are no more questions. Thanks you very much, John and Trevor.