

**Irish National Teachers' Organisation
(INTO) Response To
The Consultation For The
Review of the Common Funding Scheme (CFS)
October 2013**

into



**Irish National Teachers' Organisation
*Cumann Múinteoirí Éireann***

The Irish National Teachers` Organisation (INTO), is the largest teaching union in Ireland and presently represents around 7000 teachers in all educational sectors in Northern Ireland. INTO has over the past 4 to 5 years produced a number of papers on the reform of educational funding and the need to ensure that the inequalities and inequities arising from the present system are addressed. As such we welcome the opportunity to respond to the consultation exercise given that the funding mechanism is pivotal to ensuring the adequate resourcing of a school.

INTO concurs with the Ministerial statement of the 26th September 2011 that, "*the Common Funding Scheme does not adequately support or is consistent with the policy objectives of the Department of Education*". We also share the view that the current funding scheme has created "*inconsistencies and inequities in the education system.*" INTO does not believe that that the totality of the proposals that the Department of Education [DE] is bringing forward for consultation, in response to the report produced by the independent panel led by Sir Robert Salisbury, represent an equitable or realistic suite of changes to the Common Funding Scheme to address the shortfalls described by the Minister in his statement of September 26th 2011.

The manner in which the consultation document is presented is in the view of INTO lacking in clarity and has led to confusion on the part of the individuals and organisations who have contacted the union. DE may share the view of confusion as articulated by the American author Henry Miller who said "Confusion is a word we have invented for an order which is not understood". If that is the case it suggests there is a misunderstanding of mammoth proportions across the entire education sector indicating DE has utterly failed to communicate "the order" they are seeking to design.

INTO does see in the proposals things that it can support. In particular we welcome DEs attempt to redirect monies to those pupils from socially disadvantaged backgrounds. The move to do away with the short term funding initiatives is also to be welcomed. The idea of separate funding formulae is a step in the right direction as is the proposal to target more funding towards looked after children. Removing VAT from the formula is an admirable aspiration whilst the proposal for an amalgamation premium is a positive and sensible proposal though we would wish to engage with DE on how this could be brought about in a manner different to what is being proposed. INTO agrees fully with the DE position on spending the money allocated to a particular cohort of pupils in the year in which it is allocated. These proposals indicate that DE has listened not only to Salisbury but to the wider educational community and this is encouraging.

INTO does however have serious concerns about a significant number of the proposals being brought forward by DE. What is being proposed in a number of areas will result in approximately 80% of schools seeing their already largely inadequate budgets being reduced. A number of schools in this group who have been in touch with INTO are deeply concerned that their capacity to address the learning needs of the pupils in their schools will be negatively impacted by what is being proposed. Specifically these schools have indicated to INTO:

[1] Their capacity to meet the needs of pupils with particular learning needs will be reduced by virtue of the reduction in their funding. These schools are all making the same point namely, that the pupils who will suffer first are the very pupils that DE is keen to see benefit from the proposed reform of the CFS. It is the case in a lot of these schools that even small cuts to their budgets will see additional support that these schools have put in place become unaffordable if they are to remain within the spending limits imposed by DE.

[2] School Development Plans and three year financial plans which in some cases have been largely determined by Inspection outcomes will in effect become redundant. Financial planning for all schools was particularly difficult in the last year due to the fact that DE were late in coming forward with the school budgets and then found additional monies, welcome as that was, which caused schools to redraw their budgets again. This represents a massive waste of effort on the part of teachers, Principals and Boards of Governors.

[3] Small schools in particular are very concerned that the life line they thought that DE had extended to them in deciding to not withdraw the Small School Factor right away are having their viability undermined with the withdrawal of the Premises Factor. They feel particularly aggrieved at this as it imposes a cost on them that the existing CFS made allowance for. In the context of Area Planning this has potentially serious consequences for their schools futures.

[4] INTO was also reminded by many of the schools that contacted us that this review of the CFS that DE commissioned was prompted in large part by the inequity in funding that exists between primary and post primary schools and the outcome in the view of the majority of schools in contact with INTO is that what is being proposed is only a modest improvement on this situation.

It is the view of INTO that DE should consider again the proposals it has brought forward. While it is true that DE has a limited budget and any adjustment to how these funds are distributed will result in financial adjustments for schools the priority for DE has to be to ensure that no child is worse off. What is being proposed at present will result in pupils who currently have additional support available to address their needs having this support reduced or removed in 80% of schools and improved in 20%. A revision of the CFS that sees 60% of pupils worse off is by any measure an unsatisfactory outcome.

DE should look again at a more tailored formula one that takes into account not only the number of pupils who attend a school from socially deprived backgrounds but also the schools current financial situation. Is there really any justification for giving schools in surplus additional money when they have not spent the money they already have at their disposal. It is also the case that FSME is a very crude measure of social deprivation. DE has admitted as much and other countries such as New Zealand stratify schools according to a range of social and economic data. The decile system used in New Zealand takes five agreed indicators of social deprivation one of which would include our FSME measure. The system allows for the ranking of schools in terms of social deprivation. Such an approach here would perhaps lead to a more equitable distribution of the limited funds available. In the North we have available to us a huge bank of data relating to social deprivation via the NISRA website. It is not beyond our capacity to come up with a more complete and agreed definition of social deprivation and a more equitable distribution mechanism. This would enable us to move forward in an agreed fashion. Of course if DE really want to make a sustainable difference to the life chances of such children then they need to be moving a multi departmental approach to addressing social deprivation.

Summary

The issue of funding is critical to the provision of quality education. However when funding becomes the sole driver and schools wait anxiously each year to be notified of their budget, the education of children loses out to the budget. Whatever reforms are put in place must offer schools stability at least for a 7 year period. One to three year planning is short term planning for educational purposes and those parents who send their children to a school have a right to expect that the funding and resources will be in place for the entire period of their child's attendance at that institution.

Whatever final reforms are put in place they should provide stability in financial and educational terms, should address the issue of social and economic disadvantage and ultimately provide all children, in every school with access to high quality, resourced education led by professional teaching staff.

INTO Response to Review of the CFS

Question 1:

Do you agree that these are appropriate guiding principles for the Common Funding Scheme?

Answer: Yes

INTO is in general agreement with the "guiding principles". We are however anxious that the concept of a "sustainable school" is defined precisely. The Bain Report spelt out in clear numerical terms what a sustainable school was. It is already clear as Area Planning unfolds on the ground that Bain's definition is meaningless in this respect. The developing ambiguity as to what constitutes a sustainable school does not provide a stable basis on which to move forward. Indeed, the situation is further complicated by the fact that Irish Medium and Integrated school are in many cases outside any of the current views as to what a sustainable school is.

Question 2:

Do you support the proposal to facilitate greater targeting of future funding to education policy priorities, including early intervention, via the creation of two separate formulae, one for primary and nursery and one for post-primary schools?

Answer: Yes

INTO accepts that two separate formulae for primary and post primary will introduce a degree of flexibility, not present in the current funding arrangement, which will go some way assist to balancing funding between the two phases. It is not clear from what DE is proposing that, should additional funding become available in the future, how the split will be calculated across the two phases. The monies which are forecast to be saved as area planning takes greater effect are an example of such additional funds. It is also vital that the nursery phase is not disadvantaged; such a situation may arise if inclusion or other factors were to be removed. Existing disadvantage for the nursery phase, such as a lack of Principal release time, is also not addressed in the proposals.

Question 3a

Do you support the retention of the existing 3 bands for social disadvantage?

Answer: No

The proposal indicates a significant increase in weighting for Band 3 schools. A significant degree of confusion already exists for schools attempting to calculate their funding under the current arrangements. INTO believes the proposal to increase the weighting to Band 3 schools will further compound this confusion. The challenge, INTO suggests, is to find an acceptable measure of social deprivation that incorporates additional factors alongside FSME entitlement and for DE to accept that schools funding levels be maintained at the current level, as a baseline. The panel's proposal for 5 Bands provides, in INTO's view, a better starting place for a proper debate of what needs to change.

Question 3b

Do you support the allocation of this additional TSN funding to provide additional support for those schools in Band 3 that have the highest levels of Free School Meals Entitlement?

Answer: The framing of the question makes it impossible for INTO to answer.

INTO shares the review panel's view that additional money should be targeted at pupils from socially disadvantaged backgrounds. INTO is, however, totally opposed to schools with lesser numbers of children from socially disadvantaged backgrounds having their budget adjusted downwards to provide these funds. "Robbing Peter to pay Paul" is a ridiculous funding strategy and may be discriminatory. The additional £10million is for one year [14/15] and will have the effect of misleading some schools who fail to realise their allocations have been altered for one year only. There appears to have been no consideration given as to the immediate and negative impact the proposed change will have on those schools who find themselves to be "losers". INTO demands that the issues of weighting and banding be considered again and that the debate [to include the unions] be widened to incorporate a consideration of implementation time frames.

Question 3c

Do you accept the rationale for making this change to the Common Funding Scheme to allow more rapid funding responses to support TSN?

Answer: Yes

INTO accepts the rationale for making changes to the present funding arrangement to bring about a more efficient response to targeting social need.

Question 3d

Do you agree with the proposal that, given the very strong link between social deprivation and educational attainment, funding previously allocated to primary schools under the Educational Attainment element of TSN will in future be allocated using only FSME as an indicator under the social deprivation element of TSN?

Answer 3d [i]: Yes

INTO is answering with a qualified “yes” as previously stated we don’t believe FSME provides a complete enough measure of social deprivation. It is the view of INTO that the current ‘measures’ of attainment (levels of progression) are fundamentally flawed and indeed currently under review. Using ‘attainment’ as a funding mechanism could also become a perverse incentive to schools to underachieve.

If Yes, do you agree that this money should be retained within the primary sector?

Answer 3d [ii]: Yes

INTO believes that the primary sector should retain the money.

Question 3e

Do you agree that the Department should link availability of additional TSN funding to accountability at school level for the outcomes achieved by the group of pupils who will attract the additional social deprivation monies?

Answer: Yes

INTO accepts the need for accountability. However, we are concerned as to how this can be achieved. Our concerns are firstly that it will be not be realistic to determine the impact of additional funding over one year. Rather, it can only be realistically assessed over the lifetime of the pupil in the school. Secondly, teacher and Principal workloads are already unacceptably high and any measuring and reporting will add to this. It is also unclear as to what the consequences will be for the school if they do not meet the as yet unidentified targets in respect to the impact of the additional funds for the pupils. INTO believes the area identified in this question requires further detailed discussion with the unions.

Question 3f

Do you agree with the proposal that an additional premium should be included within the Common Funding Formula for Looked After Children?

Answer: Yes

INTO accepts the need for an additional premium for looked after children and that it should be included in the Formula.

Question 4a

Do you agree with the proposal that the Sports and Premises factors should be removed from the CFF and the monies previously allocated under these factors be allocated on a per pupil basis within each phase?

Answer: Yes

INTO is answering with a qualified “yes”. Whilst we accept the logic of the money being allocated on a per child basis this change takes no account of the fact that many schools have declining numbers, in a situation where they still have to foot the cleaning bills and utility bills for unused space. INTO would again suggest that this proposal be subjected to further interrogation as for some schools the impact of their share of the additional £10million may be blinding them to the true effect of the proposal.

Question 4b

Do you agree that VAT monies should, if possible, be removed from the funding formula and VG and GMI schools be reimbursed directly for approved VAT costs?

Answer: Yes

INTO accepts the VAT should be removed from the Formula. However, we would encourage the Department to engage with the Treasury in London to bring about a situation whereby VG and GMI schools are VAT exempted completely. INTO would also be interested to know what plans the Department has for the VAT monies currently allocated to the ASB. Is it the case that this money will be reclaimed to the centre or is it to be redistributed on a per pupil basis?

Questions 4c

Do you support the introduction of an ‘amalgamation premium’ as proposed by the independent review panel?

Answer 4c [i]: Yes

INTO supports the panel’s view for the introduction of an “amalgamation premium”. We are concerned as to how broadly ‘amalgamation’ will be interpreted. The Minister has indicated on several occasions in recent times that he will consider alternative proposals arising out of the area planning process. Would such alternative proposals be eligible for this premium if they were not what we currently understand amalgamation to mean?

Are you of the view that such a premium would most appropriately sit within the Common Funding Formula?

Answer 4c [ii]: No

INTO believes that the premium should be separate from the Formula as the Formula is already, even taking into account the proposed changes, beyond the comprehension of many schools. The premium, when introduced, should be weighted to take account of the particular circumstances of the schools involved.

Would a 5-year period over which tapered funding would be provided, be an appropriate length of time?

Answer 4c [iii]: Yes

INTO believes that five years from the date the new institution is opened should be sufficient.

Questions 4d

Do you support the retention of the existing Irish Medium support factors?

Answer: Yes

INTO is fully supportive of the retention of the current factors relating to Irish Medium [IM] education. There requires to be an adjustment to the factors in regard to the IM post primary sector, which is currently less than that for the IM primary sector. While it is true there is currently only one post primary IM school, this will likely not always be the case and the additional pressures experienced by the school are already well known to the Department. Making the necessary adjustment to the factor now would be sensible, considering the continued growth of the IM sector as a whole.

Questions 4e

Do you support the retention of the existing Special Unit support factor?

Answer: Yes

INTO concurs with the Department's view on this and supports the retention of the existing Special Unit support factor.

Question 5a

Do you agree that DE, working with ELBs and other education bodies, should develop a revised financial classification system which will include clear guidance on intervention as well as support?

Answer: Yes

INTO is firmly of the view that monies intended to support the education of a particular pupil or cohort of pupils should be spent on that pupil or pupils in the year it was allocated for.

INTO is unsure what is meant by "a revised classification system". If it means that the current variety of guidance on financial and management matters followed by the numerous management bodies is to be pulled together into an agreed and consistent set of guidance, then INTO supports that. Such a set of guidance needs to be accompanied by adequate support from the management body.

The issue of historical deficits needs also to be addressed. Schools that have undergone a turn-around and have demonstrated, over a reasonable period of time [three years], that they are capable of managing their budget within the acceptable limits should not have the negative impact

of addressing the previous poor performance visited upon another generation of pupils. The managing authority in such a situation should be compelled to write off the historical deficit.

Question 5b

Do you feel it is appropriate to review how earmarked funding streams are allocated to schools?

Answer 5b [i]: Yes

INTO accepts that, on occasion, it may be necessary for the Department to introduce a specific earmarked fund. However, it would make better financial and managerial sense to make these occasions the exception, as opposed to the norm they have become. The funding would be better allocated through the Formula. This would reduce costs and allow for schools to plan better, rather than being forced to scramble to meet another impossible deadline. It would also greatly improve a school's capacity to wring increased value from such funds.

Do you think there is the correct level of monitoring and intervention by Funding Authorities?

Answer 5b [ii]: Not Sure

Accountability is a fact of life. The challenge for the Department is to develop accountability mechanisms that satisfy its desire for data to demonstrate effectiveness and value for money, whilst at the same time not adding to the bureaucratic burden experienced by schools. Just as the flip side of autonomy is accountability, accountability too often detracts from the teacher's core function, teaching.

Question 6

Do you accept that the arrangements for funding special schools should be kept under review and that enhanced financial information should be available to help governors and senior leadership teams reach fully informed decisions?

INTO accepts the funding arrangements currently in place should be left alone, pending the outcome of the SEN and Inclusion Review. We would caution that any future revision of their funding arrangements takes into consideration the fact that these important schools have inescapable costs. There is also a serious issue regarding the funding of classroom assistants and how they are paid, that needs urgent attention.

Question 7

Do you have any further comments on the proposed changes to the Common Funding Scheme?

Answer: No