



Association of Teachers and Lecturers

ATL Statement on the
Department of Education, Northern Ireland
Draft Budget 2011-15

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ATL Submission re Draft Department of Education Budget

ATL Background: ATL, as a leading education union, recognises the link between education policy and our members' conditions of employment. Our evidence-based policy making enables us to campaign and negotiate from a position of strength. We champion good practice and achieve better working lives for our members.

We help our members, as their careers develop, through first-rate research, advice, information and legal support. Our 160,000 members – teachers, lecturers, head-teachers and support staff – are empowered to get active locally and nationally. We are affiliated to the ICTU and TUC, and work with government and employers by lobbying and through partnership.

General View:

The general view of ATL is that the austerity measures implemented by the Conservative/Liberal Democrat coalition in Westminster has no mandate (nor indeed a single vote) in Northern Ireland. ATL repudiates the UK government's attempt to resolve an economic crisis caused by an élite of speculative financiers by pinning the costs onto public servants. The UK Government appears to have borrowed from the philosophy of Barack Obama's former chief of staff that "*You never want a serious crisis to go to waste*" - and is seeking to promote ideologically driven measures to reduce public expenditure and "*shrink the state*". It is noted that no similar effort has been made to address the structural weaknesses in banking and finance regulation required to correct irresponsible, morally hazardous, behaviour or avert another crisis in the future.

The Trade Union Analysis:

ATL concurs with the analysis of the ICTU ⁽¹⁾ in "*Cuts the Myths: There is a better Fairer Way*"

The ICTU argues that Cutbacks on the scale proposed are unnecessary. There are alternatives. For instance, the UK economy is suffering from a loss of £123 billion in tax revenues each year. It is also the case that the UK Government has prioritized war, defence and military spending ahead of education (or devolved region) spending, in order to maintain a façade of what respected American correspondent Stryker McGuire terms "pocket super-power" status ⁽²⁾ when a more modest estimation of the UK's role in the world is now surely required.

Teachers – the "squeezed middle": ATL predominantly represents teachers. Teachers currently feel that they bare part of a "squeezed middle". Their current context is that teachers face a wage freeze, an increase in pension contributions, a diminuation of pension benefits, increases to their National Insurance contributions, facing increased workload as a consequence of budgetary cuts – typically demonstrated through an intensification of workload and an increase in class sizes. Teachers find

themselves bearing a disproportionate taxation burden, seeing the relative status of their profession eroded relative to others, and seeing an élite of powerful, super-wealthy individuals and corporate companies evade, avoid, duck and dodge their tax responsibilities with near impunity. Tax fairness is at the heart of the solutions proposed by ATL and the trade union movement analysis on the “Missing Billions”⁽³⁾ is now very much to the point - see <http://www.tuc.org.uk/touchstone/Missingbillions/1missingbillions.pdf>

ATL is also concerned that the NI Executive as a whole is considering lowering corporation tax, creating a tax break for those well able to pay and aiming to turn Northern Ireland into another of the UK's extensive range of tax havens. The corporation tax proposal, as a direct result of the 2006Azores judgement, will have, as a *quid pro quo*, consequences for the Executive's budget, with a potential loss of up to £300,000 per annum. Again, ATL would refer the Minister of Education (and the Executive as a whole) to the dangers inherent in supporting a reduction of corporation tax – see Richard Murphy's analysis for the ICTU and TUC at <http://www.ictuni.org/uploads/67b098da-831b-4ef7-ba01-f5111705d2bc/CorpoTaxlores.pdf>

The Draft DE Budget:

Seen in this context, ATL's response to the Draft Departmental budget is limited to what is within the Department's remit and we understand the constraints put on both the Northern Ireland Executive and the Minister for Education in this regard.

End of Year Flexibility: Following the abolition by HM Treasury of the existing End Year Flexibility (EYF) the agreement of the Minister of Education with the Minister of Finance announced on 21st January is welcomed. As we understand the agreement it is that both Ministers agreed that schools must continue to have access in the future to surpluses which they accumulated through sound financial management and that the Ministers guaranteed to put in place Northern Ireland arrangements to ensure that this was the case and that both past and future savings would be honoured.

Capital Budget:

ATL is astonished that continuing contractual obligations associated with PPP projects represent £101m of a total Capital budget of £169m, with no room for any procurement by normal methods. The last Conservative government invented the Private Finance Initiative (PFI) but it was New Labour that made it into a major instrument for the provision of public facilities and services.

The use of private finance in education was the most significant fiscal process since the post war reforms ⁽⁴⁾. The main features and dangers of this novel form of procurement are:

- (1) It involves public bodies borrowing money at a higher rate of interest than through the usual means of public borrowing.
- (2) It normally involves public bodies entering into long term contracts for services, the need for which may change dramatically or disappear altogether well before the contract term is over. For example, the pupil

numbers in a school may decline or it may close altogether (like Balmoral High School), but the annual contract charge will still have to be paid.

As such, consideration should be given, Executive wide, to the proposal of Compass ⁽⁵⁾ to 'buy out' PFI/PPP contracts. Across the UK, it is estimated that buying out existing PFI schemes and switching existing and planned schemes back to the public sector could save £3.3 billion ⁽⁵⁾. Given the reliance of the major Banks on the Bank guarantee scheme and bail-out, any UK government with the political will, should have the leverage to enable this to happen. Arguably, having effectively nationalised the key lending institutions involved in PFI, why should we not re-nationalise the PFI schools and hospitals?

ATL would ask the Education Minister to lobby the Westminster Government for the buy-out of all UK PFI/PPP schemes.

In view of the need to find savings of some £150m next year, ATL has no objections to the proposal to reclassify some £41m of the capital budget for use as Resource in 2011-12 to allow for a more measured application of reductions to school budgets from 2012-13 onwards.

Strategic Priorities:

ATL is content with the strategic priorities set out. These are:

- Raising Standards for All;
- Closing the Performance Gap, Increasing access and Equity;
- Developing the Education Workforce
- Improving the Learning Environment
- Transforming Education Management

Specific Resource Savings Measures

ATL is generally understanding of the following measures:

- Home Transport
- IT
- Professional Support Services
- Administration and Management (Arms Length Bodies)
- Procurement
- Teacher Cover – see note below
- RPA institutions
- Transfer Interviews

ATL would have concerns about

- **Capacity Building (SEN):** ATL has expressed deep concerns about the diminution of the role of Special Schools contained in the draft SEN strategy and indicated what appeared to be an inappropriate emphasis on “shoehorning” pupils with special educational needs into mainstream schools. As such we would have concerns about the ‘direction of travel’, rather than the proposal to re-profile expenditure as proposed.

- **Entitlement Framework:** ATL supports the Entitlement Framework and the Area Learning Partnerships concept. However, as trade unionists, we are unimpressed by the manner in which some ALPs have ignored the appropriate Negotiating Machinery for Teachers, the TNC and would be unhappy at continued expenditure on the ALPs without agreed guidance from TNC.
- **School Meals:** Efficiency savings in the School Meal Service comes at a time when it is proposed to widen access to Free School Meal entitlement. DE may wish to reconsider this proposal.

ATL opposes:

- **GTC:** The removal of the reimbursement of teachers fees in respect of the General Teaching Council, a saving of £1m per annum, is inappropriate in advance of the GTC assuming its statutory powers
- **Access NI Costs:** At a time when it is unclear whether Access NI will co-exist as the primary vetting mechanism alongside the more recently proposed Vetting and Barring Scheme, this measure is inappropriate. ATL has made clear its opposition to the operation of two systems co-existing in schools. Equally, the costs of maintaining child protection vetting over a career are unclear. Finally, the transfer of costs onto the teachers represents an unfair burden.

References

- 1) ICTU *"Cuts the Myths: There is a better Fairer Way"* see <http://www.ictuni.org/uploads/67b098da-831b-4ef7-ba01-f5111705d2bc/cuts%20booklet%20final.pdf>
- 2) Stryker McGuire in The Times, 4th August 2009: see http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article6737848.ece
- 3) Richard Murphy: "The Missing Billions" for the TUC, see <http://www.tuc.org.uk/touchstone/Missingbillions/1missingbillions.pdf>
- 4) ATL Northern Ireland, Internal Briefing for Members on PFI/PPP, 2009
- 5) Compass: In place of cuts, Tax Reform to build a fairer society, Irvin, Byrne, Murphy, Reed & Ruane. www.compassonline.org.uk