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RE: REVIEW OF THE FUNDING FORMULA FOR SCHOOLS

The Commission welcomes the opportunity to make comment associated with the call for evidence associated with the August 2012 review of the common funding scheme for schools in Northern Ireland.

The Commission has previously responded to the development of the funding formula during the consultation exercise in 2002, and again in November 2006, welcoming the simplification of the process but raising a number of substantive concerns over how the formula would impact on different groups of children and the equality implications of these changes (we have appended these previous submissions for ease of access).

We write at this time to reiterate the importance of the review taking full account of the potential impacts that the formula may have in terms of equality of opportunity and good relations.

The Commission Maintains regular contact with the Department on Equality and Good Relations issues and has advised on steps that must be taken by the Department to meet its obligations under Section 75 of the Northern Ireland Act(1998). This Review should bear in mind these obligations. The Commission will be happy to provide advice or assistance as appropriate.

We note that there are two currently ongoing considerations by the Department of Education - looking at the development of an action

plan for traveller children's education¹ and the review panel examining ways to progress the concept of shared education for children in Northern Ireland².

The Commissions vision is to create an education system where children are routinely educated together, in inclusive environments, regardless of their background or ability.³ It will be important that the common funding formula is able to take account of the outcomes of the above considerations

We previously raised concerns over the potential differential impacts that the formula approach could have on vulnerable and marginalised groups and commented particularly on the adequacy of funding for children from the Irish Traveller community and children for whom English was an additional language. Given that the Commission has highlighted a number of barriers to participation for these children in the education process (with a consequent impact on levels of educational attainment), we urge the panel to ensure that funding is sufficient to address their educational needs.

The Commission believes that nursery sector provision is a key component in promoting equality of opportunity in education, particularly for members of marginalised groups. Furthermore, such provision allows parents of children, primarily mothers, to return to employment. While there may be a short term reduction in cost achieved through reducing funding for nursery provision, the long term economic consequences of the decision may far outweigh the potential benefits. Educational attainment; women's economic independence, and participation in the workforce are core concerns for the Commission.

In relation to the additional funding leveraged through TSN criteria, the Commissions research in preparation for the Key Inequalities statement⁴ highlighted that Protestant Boys from disadvantaged backgrounds were most likely to be non progressors within the

¹ [Traveller Children's action Framework - http://www.deni.gov.uk/english_action_framework.pdf](http://www.deni.gov.uk/english_action_framework.pdf)

² [ToR for Ministerial advisory panel - http://www.deni.gov.uk/shared_education_advisory_group_terms_of_reference.pdf](http://www.deni.gov.uk/shared_education_advisory_group_terms_of_reference.pdf)

³ [Every Child an Equal Child\(2008\)](#) see also [Ensuring the good relations work in our schools counts \(2010\)](#)

⁴ [Key Inequalities \(2007\) - http://www.equalityni.org/archive/pdf/Keyinequalities\(F\)1107.pdf](http://www.equalityni.org/archive/pdf/Keyinequalities(F)1107.pdf)

education system in Northern Ireland. Work carried out by Purvis and Shirlow⁵ reinforced this view and preparatory work for our review of Key Inequalities indicates that the differential remains. The Commission recognises the exacerbating effects of social and economic deprivation and we consider that addressing equality of opportunity and good relations issues will serve to complement work in relation to targeting social need.

As noted above, we have provided advice to the department in carrying out their statutory duties under Section 75. We note that the Background section, setting out the legislative basis for the review, makes no mention of the requirements of Section 75, nor does the Strategic context. Further, while the Objectives of the review tie in with the need to 'promote equality' and later (p36) 'ensure the existing principles of ...equality are embedded in any revised CFS', it appears that the issue of good relations may require further consideration. Any funding mechanism can have a transformative effect on an education system and this is a clear opportunity to incentivise increased sharing of educational resources on cross-sectoral and ability lines.

Regards,



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⁵ [Submission to Education Committee Dec 2011 - http://www.niassembly.gov.uk/Documents/Official-Reports/Education/2011-2012/EducationalDisadvantage14.12.11.pdf](http://www.niassembly.gov.uk/Documents/Official-Reports/Education/2011-2012/EducationalDisadvantage14.12.11.pdf)

Appendix A:

**Evidence of the Equality Commission concerning the
Consultation on a Common Funding Formula for Grant Aided
Schools to the Education Committee
November 2001**

1. The Equality Commission welcomes the opportunity to contribute to the present consultation by the Department of Education on a common funding formula for schools. The Equality Commission is responsible for the legislation on race relations, sex discrimination and equal pay, fair employment and disability. The Commission also has important responsibilities for the statutory duty on public authorities to promote equality and good relations.

2. The Commission welcomes the Department's proposal to simplify school funding arrangements and to introduce a common LMS funding formula. The Commission believes that schools in similar circumstances should receive similar levels of resources. In particular it is quite inappropriate that separate formula should be operated by each of the Education and Library Boards.

3. The Department's consultation covers both the key principles of funding and specific, detailed proposals for factors within the funding formulae. The Commission has given detailed consideration to the principles and to the present and proposed factors. The Commission does not have the expertise to reach conclusions on a number of the detailed matters, such as the

weightings and specific amounts attached to components of each factor. The Commission's response therefore concentrates on those proposals in respect of key issues which have major implications for the promotion of equality of opportunity.

4. There now exists in Northern Ireland a considerable body of research examining the disparities in the levels of social disadvantage by school type and by religion. Within the school system, social disadvantage is measured by entitlement to Free School Meals. The Commission concurs with the use of free school meals as a proxy measure of social deprivation. Research has shown that social need is a major factor in differential educational outcomes and these in turn have important impacts on job prospects and labour market status. The Commission therefore recommends that the present review is used to ameliorate as far as is possible the effects of social deprivation on educational outcomes.

In the Commission's response to the present review of the selective system of secondary education in Northern Ireland we pointed out our concern that the underlying social class disparities combined with the dimensions of gender, disability, religion and ethnicity can create multiple disadvantage for sectors of our society. We are concerned at the evidence that our education system does not moderate the effects of such disadvantage but rather accentuates these effects. We believe

that the present review of formula funding should be used to recognise the effects of social deprivation on educational attainment and increase the degree to which expenditure is directed to where social needs are greatest.

5. **Policy Context** (Consultation points 2a and 2b)

The Commission agrees with the Department's proposal that delegated funding across Education and Library Boards (ELB) should be more consistent. The Commission notes that it is anticipated that this will increase school budgets. Those services and initiatives provided by ELBs, such as school transport, school meals, curriculum support and special unit costs are especially important to small schools who find it particularly difficult to meet these by formula. We therefore support the continued provision of these services by ELBs and would wish to be assured that they are not threatened.

6. **Key Principles** (Consultation points 3a and 3b)

The Commission agrees with the funding principles outlined. In addition it is our view that there should be an express objective, namely that:

- Schools should be funded to assist with mitigating the effects of social disadvantage.

7. **Age Weighted Pupil Units** (Consultation Points 5a-5g)

The Commission notes the proposal, in line with government policy, to provide a greater share of the budget to the primary sector, in order to prevent or address problems at an early age. The Commission supports this proposal but notes that in the present selective system in Northern Ireland many secondary schools will have classes in which a large number of children have particular educational needs and there will be a consequent requirement to put in place strategies to address such needs such as the present School Support Programme.

The Commission does not believe that the continuation of a fee paying sector in primary years assists with the objective of delivering equality of opportunity. The Commission does not support the continued funding of the preparatory units of grammar schools. The Commission recommends that the present funding of approximately 30%, of the teaching costs of this pupil group should cease.

8. **Premises Factor** (Consultation Points 6 a-f)

The Commission notes the comparison drawn by the Standing Advisory Commission on Human Rights in 1997 which showed that :

“average spending on all grammar school premises and grounds is £178 per pupil in Protestant and £126 per pupil

in Catholic schools, a differential of £52. This is greater than the amount Catholic schools gain over Protestant schools through targeting of funding on social deprivation (£47 per pupil)”

Such an adverse comparison does not match the principle proposed by the Commission that schools should be funded to mitigate the effects of social disadvantage. The Commission therefore recommends that the effect of the present proposals are carefully reviewed, especially the appropriateness of the amount of the premises factor.

9. Targeting Social Need Factor (Consultation Points 7a-7i)

The Commission has reviewed the evidence on the link between social disadvantage and low educational achievement, and its implications for subsequent further education, training and job prospects. The Commission considers it essential that schools are funded in a way which allows them to put in place programmes and strategies to mitigate the effects of such problems. The Commission considers that such funding will help those children from socially disadvantaged backgrounds and will raise the achievement levels of the Northern Ireland school system.

Improving the educational output of the schools helps improve employability and equality of access to employment and is important to the development of a successful economy. The Commission is concerned that the amount of overall funding for TSN should be sufficient and that the arrangements by which Boards and the Department allocate funds to schools should as far as possible compensate for social disadvantage. In relation to the amount of TSN funding, the Commission notes that the TSN element of LMS presently accounts for 5% of funding and an increase to 5.5% is proposed. The Commission is concerned that this level may be significantly lower than is actually required.

In relation to the social needs element, the Commission believes that it is unnecessary to seek to relate the amount per pupil to those matters which actually give rise to extra costs. In the review of Formula Funding in 1997 by Penny McKeown and others for DENI, primary and secondary principals both described the heavy costs of providing adequately for pupils with social and educational disadvantage and identified a wide range of strategies which was very wide. This range included matters such as keeping class sizes small, which are not directly funded by the TSN element of the formula at all. Principals often reported spending amounts much larger than those generated by the formula.

The Commission considers that the present arrangements whereby schools are given additional social deprivation funding to enable them to put in place strategies appropriate to their particular circumstances should continue and that it is unnecessary to relate costs to individual pupil requirements. The Commission has also considered the methods for allocating social deprivation funding, and in particular the use of thresholds, whereby only schools with high percentages of FSM pupils would be allocated resources and such resources would be increased. The Commission considers that high percentages of children from socially deprived backgrounds do create increased difficulties for schools. Accordingly the Commission recommends additional money per pupil should be awarded on an incremental basis to schools. This would reflect the fact that the costs associated with the management and pastoral care of socially deprived pupils rises disproportionately with the incidence of FSM pupils. The Commission notes the Departments proposal to achieve this by incorporation of the absence rate into the formula. An alternative would be to increase the amount of money per pupil as the proportion of children entitled to free school meals increases, e.g. as the school has FSM pupil proportions of more than 10%, 20% and so on.

In relation to the special educational need factor, the Commission notes the recommendation that Key Stage Assessment results should be used to identify children in

educational need. In the post-primary sector it is proposed that this is based on Key Stage 2 Assessment results and weighted according to the levels within each school. In the primary sector it is proposed that a composite indicator is used based on Key Stage 2 Assessment results and Free School Meals pupil numbers.

In the nursery sector it is proposed that the funding is allocated based on the number of children whose parents are in receipt of Income Support or JSA. It is also proposed that schools should be required to account for TSN funding. The Commission notes the validity of these proposals for distributing social deprivation funding and would wish to consider further if these are the best available options.

10. **Sports Factor** (Consultation Points 10a - 10c)

The Commission notes the present disparities in the sports facilities available to pupils in schools. In particular the Commission notes the more favourable funding for pitches and grounds in Voluntary Grammar Schools. The Commission supports the proposal to relate funding to the schools enrolment to help meet the costs of providing a physical education curriculum.

11. **Special Unit Funding** (Consultation Points 13a-13c)

The Commission strongly believes in the integration of children with special educational needs in mainstream education. A child in a special unit should as far as possible be integrated with pupils attending mainstream classes. The Commission supports the proposal to continue with the present arrangement whereby the costs of teachers in special units are met in full, as are the costs of facilities to meet individual pupils special educational needs, and that funds to promote the integration in mainstream classes should be provided through the standard AWPU funding.

12. **Support for Schools Educating Children of Travellers**
(Consultation Point 15a)

The Commission welcomes the proposal to standardise funding arrangements for those schools educating pupils of Traveller families. The need to review existing funding arrangements was pointed out in the recommendations of the Promoting Social Inclusion Report of the Working Group on Travellers. The Commission supports the education of children from Traveller families in an integrated way and therefore supports the proposal to provide additional funds to enable schools to provide the support required. The costs of additional support include teacher training, curriculum development, educational strategies and home school liaison. The proposed allocation of

£750 per pupil to apply to all types of school may not be sufficient to provide the necessary support and the Commission would recommend that the adequacy of this amount be kept under review. The PSI Report also recommends additional support teachers and the Commission will wish to be assured that this will be given full consideration.

13. **Support for Schools Educating Children with English as an Additional Language**

The Commission notes that in October 2000 there were 1398 children in 313 schools for whom English is an additional language. It is very likely that with the arrival of migrant workers and asylum seekers in Northern Ireland the number of children within our school system for whom English is an additional language will increase.

The Commission welcomes the proposal to standardise support across all school types and ELBs. We are however concerned that the extra support which black and minority ethnic children require is not just language support. To meet the needs of ethnic minority children schools must make arrangements within the context of the home, language, culture and community. Schools must also put in place strategies to prevent and deal with racial bullying, ensure culturally appropriate assessment procedures and accommodate specific cultural and religious needs.

The current arrangements allow ELBs to provide support centrally for schools via the peripatetic teaching service and there will be a continued need for such a service especially if the number of children in a school for whom English is an additional language is small. At present in some areas the amount of time which peripatetic teachers can offer to each child is very small. The Commission would wish to be assured that there continues to be provision to offer support centrally which is appropriate and sufficient to enable children to feel confident within the school environment and to benefit fully from their education.

The Commission is also concerned at the proposal that the extra support will be withdrawn two years after the pupil has received education in an English speaking country. In situations where the amount of peripatetic support offered has been very small, and where English is not known or not used within the home environment, this will be an insufficient time in which to master the language. The Commission recommends that research is undertaken on the progress of children in the use of English.

Appendix B: Letter in relation to s75 considerations for the CFS

Our ref: GL/GMcB

2 November 2006

Mrs Jennifer McBride
Schools Finance Branch
Department of Education
Rathgael House
43 Baloo Road
Bangor
BT19 7PR

Dear Mrs McBride,

RE: PROPOSED CHANGES TO FUNDING FORMULA FOR SCHOOLS

The Commission welcomes the opportunity to make comment on the proposals to changes in the funding formula for schools in Northern Ireland. The Commission had responded in detail to the development of the funding formula during the consultation exercise in 2002, welcoming the simplification of the process but raising a number of substantive concerns over how the formula would impact on different groups of children and the equality implications of these changes.

At that time we commented that we would not be prepared to reach conclusions on which scheme would provide a 'best fit' approach to funding needs. This remains the Commissions approach. Consequently our comments are concentrated on the potential impacts of the changes in terms of equality of opportunity and good relations and on the steps taken by the Department to meet its obligations under Section 75 in the development of these measures.

We previously raised concerns over the potential differential impacts that the formula approach could have on vulnerable and marginalised groups and commented particularly on the adequacy of the proposed £750 per pupil funding for children from the Irish Traveller community.

The Commission notes that the proposed options for change in the formula will result in a further reduction of the per capita allocation for children for whom English is a second language (EAL), and children from the Traveller community (a reduction in £8 from an allocation of £912.57 per pupil).

Given that the Commission has highlighted a number of barriers to participation for these children in the education process (with a consequent impact on levels of educational attainment), we urge the Department to consider additional funding to a level that is sufficient to address their educational needs.

The Commission is keen to ensure that existing and further funding for Travellers and EAL children should be 'ring fenced' within each schools budget. Anecdotal evidence suggests that the additional funding provided for Traveller children in mainstream schools may be used as a subvention fund for the general schools budget, and there is little evidence of specific targeting and measurement of outcomes for this funding. As a general point, funding should be based on the needs of the individual children and while there are examples of best practice in the education sector, there does not appear to be a coherent approach to ensuring that the funding goes where it is needed most.

The Commission notes that the general impact of the changes to the formula will result in a reduction of funding for the nursery and post primary sectors, to offset the increase in the primary sectors funding. The Commission appreciates the Department's commitment to 'early years' intervention in education. However, we believe that nursery sector provision is a key component in promoting equality of opportunity in education, particularly for members of marginalised groups.

Furthermore, such provision allows parents of children, primarily mothers, to return to employment. While there may be a short term reduction in cost achieved through reducing funding for nursery provision, the long term economic consequences of the decision may far outweigh the potential benefits. Any reduction in this area should only be achieved where there is a demonstrable reduction in need for this type of provision.

In relation to the screening process for the proposals, the Commission is concerned that although four of the nine equality categories are likely to be impacted on by the proposed changes, the Department has decided not to subject the proposals to an equality impact assessment. The *Guide to the Statutory Duties* clearly states that proposed policies identified as having significant implications for equality of opportunity must be subjected to full impact assessment.

The Department's policy screening form indicates (in reply to question 2.2) that the introduction of the Common Funding Formula would impact upon, inter alia, persons of different racial group, although the reply to question 2.3 '*considers that the factors and values included in the Common Funding Formula...are not considered to impact adversely on...equality of opportunity*', and later (the reply to question 3.1) characterises the evidence in Table A of a reduction in funding for Travellers and pupils for whom English is a second language as not significant.

In light of the concerns expressed above in respect of a reduction in funding allocation to children who are already substantially disadvantaged (Traveller and EAL children) and to children of nursery school age, the Commission requests that clarification is provided by the Department as to why these reductions, which amount to adverse impacts, are not considered significant.

Furthermore, the Commission wishes to request details of the consultation undertaken by the Department on the screening exercise for this policy. It is our understanding that the policy screening document was not included with the other documents circulated to consultees.

I look forward to receiving your reply.

Yours sincerely

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