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for Integrated Education
plan.

SCHOOLS PLANNING & PROVISION

FROM: ALAN McVEIGH

DATE: 24 November, 1997

cc Secretary
Mr Holmes
Mr Hill
Dr McCormick 26/11
Dr Browne

PS/Minister

INTEGRATED EDUCATION

As requested by the Minister on 20 November during a pre-brief for Tops PQs, I attach a further revision of the draft paper to the Secretary of State.

2. The draft now reflects - at paragraphs 1, 16 and 20 - the Minister's wish to have an early discussion with Ministerial colleagues to consider the priority which Government should accord to integrated education in the context of the CSR.

Alan

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Mr Morrow

cc Mr Foley ✓

PS/RD/53327

AMC 11.9

Draft

FROM: Tony Worthington

TO: Secretary of State

cc PS/Mr Murphy (B&L)
PS/Lord Dubs (B&L)
PS/Mr Ingram (B&L)
PS/Mr Semple
Mr Carvill
Mr Hill
Mr Holmes
Mr Quinn DFP
Dr McCormick
Mr Watkins
Mr McVeigh
Mr Canavan

INTEGRATED EDUCATION

1. You asked recently for advice on anything specific we are doing or should be doing to encourage integrated education. As you know, I share your desire to see more integrated schools. I have been very impressed with the energy and commitment demonstrated by the parents and others involved in the sector and I am anxious to assist its continuing development. This note outlines

- the positive steps being taken to support the sector;
- the funding constraints on new school development; and
- suggests that we should use the CSR to determine Government's priority for integrated education and, in particular, address the scope for funding further expansion.

It would be helpful to have an early discussion on all of this as we enter the next stage of the CSR.

New Schools

2. Much has already been achieved by the sector, particularly in the past few years; for example, since 1994 a total of 7 new grant-maintained secondary schools have been established with my Department's approval. This compares to a total of 3 secondary schools in the previous 13 years. This relatively modest expansion has required substantial capital expenditure: over the 3 years to 2000/01 a total of £28 million is committed to new integrated school capital expenditure, which represents over 51% of the resources available within the existing baseline for new major works for schools, colleges and other education services, for a sector representing just over 2% of the school population [ie some 3500 pupils in integrated primary schools and 3550 pupils in integrated secondary schools]. These figures include some £10m for integrated schools which will be eligible for capital grant from 1999, and because of the limited resources at my disposal in 1999/00, unless these payments are delayed for a year or more, or more resources emerge from the Comprehensive Spending Review (CSR), I will have to declare a moratorium on all new major capital works across all education programmes for the next 2 years.

3. This level of capital expenditure is clear evidence of support for integrated schools. However, the downside is that within the inherited capital baseline, it has seriously restricted my ability to address the considerable capital needs of other schools - there are over 100 high priority schemes in the Schools Capital Planning Lists with a total cost of over £350m and also a serious maintenance backlog of over £130 million. While I am determined to explore the scope for PFI in addressing these needs, that will at best take a considerable time to bear fruit, and the prospects are by no means guaranteed.

4. We have also taken steps to limit the costs of individual new schools and increase our capacity to respond to demand. The Shimna College correspondence

which you have seen recently is indicative of the dissatisfaction of the Northern Ireland Council for Integrated education (NICIE) with the standards which the Department has imposed on new school construction. Accommodation in the initial stages of development of new integrated schools is currently provided in a configuration of a permanent core building plus extension in temporary classrooms. These arrangements provide both acceptable standards of provision as well as value for money. Unfettered development in permanent accommodation of schools which have only just been established and have yet to prove their long term viability is both unsustainable and counter-productive given the limited resources available and would inevitably mean fewer schools could be built. Obviously, if a PFI-type deal is available to secure permanent accommodation at no extra cost to the public purse, as may be possible at Shimna, I am very happy to support such an approach - if it provides good value for money. New integrated schools also impose additional recurrent demands because of diseconomies of scale as they develop to a viable size. There is, however, no action we can take to ease this particular pressure.

Transformation

5. In view of the increasingly prohibitive cost of new school development, and the potential impact on the viability of existing schools in other sectors if the expansion of new-build schools continues at the pace of recent years, it is clear that there needs to be a shift in emphasis away from the establishment of new schools to the transformation of existing schools to integrated status. This is the best and most cost effective means of enabling parents to fulfil their aspirations for integrated schooling for their children. Moreover, because a transformation proposal does not require major capital expenditure to be diverted from other schools, the proposals do not

attract the criticisms from other school sectors associated with the provision of new integrated schools.

6. In March 1997, DENI issued a **Policy Document** on transformation which was designed to raise awareness of, and provoke interest in, integrated status among schools as well as stimulate dialogue and co-operation between Education and Library Boards, NICIE and other integrated interests. As a follow-up, I have recently issued for consultation detailed **Guidelines** which are intended to assist schools which actively wish to seek integrated status. It is my intention that these Guidelines should be issued to all schools by the end of the year.

7. Schools in the process of transformation may incur **additional costs** or may need some assistance to help them with the process, eg the provision of RE from the Roman Catholic perspective or Irish Language teaching. Resources of some £300k per year have been set aside to assist with those costs and transforming schools are invited to bid for assistance from this budget. Several schools are making good use of these modest extra funds. In addition, transforming schools are regarded as a distinct category for the purposes of school transport arrangements. This means that parents who choose to send their children to a transforming school because of its pending integrated status will be entitled to free transport for their children if the school is outside statutory walking home distance.

8. There is evidence that the shift in emphasis set out above is the right approach. Some 14% of the total pupils in integrated schools are in schools which have transformed and, of 10 proposals for integrated status decided so far this year, 7 were for transformation and 3 were for new schools. Five of the transformation proposals have been given conditional approval. A further 2 proposals for transformation are under consideration.

ARE WE DOING ENOUGH?

9. While the number of pupils currently in integrated schools is significantly greater than could have been anticipated say 10 years ago they still represent only 2% of the total pupil population. I am therefore looking in particular to the transformation route for expansion and I believe that there is considerable potential in this approach. The new guidelines I am publishing will help as will the incentive regarding free transport. Area Boards have shown themselves to be more supportive of this approach and I have given them every encouragement. I am also taking steps to ensure that NICIE (the umbrella body which my Department funds) is more supportive of this approach, despite their preference for developing new schools.

10. In order to qualify for transformation under present arrangements, evidence is required that at least 10% of the school's annual intake in the first year of transformation will be drawn from the local minority community and that this is likely to increase over time to a minimum of 30%. While this hurdle is realistically set to make genuine transformation as easy as possible, it is of course not achievable by many schools because of the distribution of the 2 communities. We must also accept that the Trustees of Catholic Maintained Schools and the strong support from parents for the Catholic ethos is likely to prevent any transformation proposals coming forward from that sector. Similarly, many schools (particularly Grammar schools)

which enrol pupils from both communities are reluctant to disturb the status quo by seeking formal integrated status.

11. I have decided also to remove the statutory prohibition on the development of integrated nursery provision. Under existing legislation it is not possible to grant-aid a nursery school or class at an integrated school, although my Department gives them some indirect support in the funds given to NICIE. This has been a bone of contention with NICIE for some time and the change will be welcomed by the integrated sector. It will mean that existing pre-school provision attached to integrated schools will be able to compete on the same basis as all other pre-school providers for resources which will be made available from next year under the pre-school education initiative. Integrated nursery provision has, of course, been eligible for support under the European Unions' Special Support Programme for Peace and Reconciliation: 3 projects have been successful so far this year.

12. Finally, NICIE, All Children Together and the Integrated Education Fund continue to press strongly for easement in the requirements for new schools and have made representations to me to have the viability thresholds for secondary schools reduced - particularly to facilitate schools in rural areas where the demography may not be able to support a balanced enrolment of 500: it was mainly for this reason that 2 proposals - for Strangford and East Antrim Colleges - failed earlier this year.

13. This is perhaps the most difficult issue which we face in seeking to strike a balance between the Government's concern to encourage integrated education and the need to secure the best value for money from the available resources. The viability criteria for integrated schools were revised upwards in 1996 by the previous Administration, to require new schools to pass stiffer tests to qualify for grant-aided status. The changes made were as follows -

VIABILITY CRITERIA

	PREVIOUS (Pre-1996)	REVISED (Post-1996)
<u>Primary Schools</u>		
Intake	15	25
Long-term enrolment	100	150-175
Religious balance	25:75	30:70
<u>Secondary Schools</u>		
Intake	60	100
Long-term enrolment	300	500
Religious balance	25:75	30:70

These changes were not meant to signal the end of new school development. Rather they were intended as challenging tests for the proposers of new schools against a background of public expenditure constraints. Three proposals for new secondary schools have been considered this year: 2 failed on the long-term test of integration and the third, Malone College, was approved at first but failed because it could not

secure a permanent site. All 3 schools have since been established as independent schools from 1 September, and have submitted new development proposals seeking grant-aided status from September 1998. These proposals will fall to be considered under the revised criteria outlined above (and a range of other factors).

14. I have some sympathy for the views expressed by the integrated sector. The decision by the previous Government to increase the viability criteria for new integrated schools by 60% was rather arbitrary and has been interpreted by the sector as evidence of a lack of support for integrated education. There is an expectation that we will now demonstrate our commitment to integrated schools in a tangible way through the provision of the necessary resources to support the development of new schools in appropriate circumstances.

15. In practice, this would mean a revision of the viability criteria for new secondary schools. For this to be meaningful, a reduction of the initial Form 1 intake figure from 100 to 80, with a long-term enrolment of 400 in Forms 1 to 5, would be necessary. This would clearly make it easier for new secondary schools to satisfy the viability criteria, for which we could take credit, although a number of other considerations could still mean that approval of grant-aided status was not appropriate in particular cases, for example, the potential impact of a new school on other schools, the opportunity for transformation in the area, the lack of a suitable site and, not least, affordability. But each new secondary school costs between £5 and £7 million and in

the absence of additional capital resources this would be difficult to justify - when there are many existing schools in urgent need of capital investment.

16. It would not be sensible, therefore, to make such a change unless we are entirely satisfied that we are prepared to meet the potential costs. Certainly these could not be accommodated within my existing capital baseline. This is an important issue for Government and while I accept that this matter can only properly be decided within the context of the CSR, in view of the very considerable demands for education spending, and more widely in the Block, it would be helpful to have a preliminary discussion to establish a collective view of the priority which should be accorded by Government to the integrated sector.

DFP View

17. DFP believes that the issue of Integrated (and Irish Language) Schools should be addressed in the CSR alongside the range of other PE pressures which DENI has identified. The CSR should rank priorities within the Education Programme generally and within the Schools sector, as clearly everything cannot be a top priority. This should include the relative priority to be given to Integrated (and Irish Language) Schools. Given the pressures which the growth in these schools is already creating for DENI, DFP believes that the CSR should also explore how future growth might be contained within affordable levels by, eg, introducing higher viability levels.

18. I regard DFP's suggestion that consideration be given to the introduction of higher viability levels as incompatible with this Government's commitment to integrated education - and unnecessary in any event as the present criteria are already very challenging.

SUMMARY

19. The steps I am taking will invigorate the transformation option - and I wish to see this adopted as the main route to integration - but the integrated sector would wish also to see more rapid expansion through the construction of new, planned integrated schools. While some new schools will continue to come forward, their numbers will undoubtedly be restricted by the present tough viability criteria. Even so, they will create major budget problems given the capital and maintenance priority needs of existing schools in other sectors and the shortage of capital resources in the inherited baseline. This fuels opposition to new integrated schools and undermines the policy.

20. Subject to your views and those of Ministerial colleagues, I propose to advise NICIE and other integrated interests that there can be no change in the existing viability criteria for the present, but that Government will re-visit the question of affordability within the context of the CSR. In any event any change which might be made at this stage would not come into effect before 1999. The development proposals for 4 schools which are seeking grant-aided status in September 1998 must be considered under the existing criteria.

21. While I consider that there is a case for easing the viability requirements for new secondary schools in keeping with our commitment to support and facilitate the development of integrated education, we must recognise that such a change in policy is entirely dependent on the availability of additional capital resources for the education service.

22. I believe this should be our firm objective and I would welcome the opportunity to discuss how this might be addressed in the CSR.

TONY WORTHINGTON