

## **RESPONSE FORM – DEL DRAFT BUDGET 2015-16**

### **Introduction**

The Department for Employment and Learning has published its Draft Budget 2015-16 Consultation: <http://www.delni.gov.uk/draft-budget-2015-16-consultation.pdf>. The purpose of the document is to set out the impact of the Draft Budget for the Department for Employment & Learning for the 2015-16 financial year. The Department's public consultation period runs in tandem with the public consultation on the Executive's Draft Budget which runs to the 29 December 2014.

### **Consultation Responses and Freedom of Information**

The Department will usually publish a summary of responses following the completion of the consultation process. If you would prefer your response to be treated as confidential, please inform us, stating your reasons clearly. Any automatic confidentiality disclaimer generated by your IT system will be taken to apply only to information in your response for which confidentiality has been specifically requested.

If we are asked to disclose responses under freedom of information legislation, we will take any requests for confidentiality into account. However, confidentiality cannot be guaranteed. We will handle appropriately any personal data you provide in accordance with the Data Protection Act 1998. For further information about confidentiality of responses, please contact the Information Commissioner's Office or visit their website at <https://ico.org.uk/>.

### **Responses**

Forms should be sent to arrive no later than **29 December 2014**. The contact details for consultation responses are as follows:

**Stephen McMurray**  
**Finance Director**  
**Department for Employment and Learning**  
**Waterfront Plaza**  
**8 Laganbank Road**  
**Belfast**  
**BT1 3LR**

**Telephone: 028 9025 7810**  
**Email: [budgetconsultation@delni.gov.uk](mailto:budgetconsultation@delni.gov.uk)**

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## Responding as an individual or on behalf of an organisation

### 1. Title

- Mr       Mrs       Miss       Ms       Dr       Other

If other, please specify

### 2. First name

### 3. Last name

### 4. What are your areas of interest? Tick all that apply.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Further Education | <input checked="" type="checkbox"/> Employment Services |
| <input checked="" type="checkbox"/> Higher Education  | <input type="checkbox"/> European Social Fund           |
| <input checked="" type="checkbox"/> Skills Policy     | <input checked="" type="checkbox"/> Employment Rights   |
| <input type="checkbox"/> Careers Service              | <input checked="" type="checkbox"/> Youth Policy        |
|   | <input type="checkbox"/> Other                          |

Other (please specify)

### 5. Are you responding on behalf of an individual or on behalf of an organisation?

- Individual (please skip to question 7)  
 Organisation (please continue to question 6)

### 6. What is the name of the organisation on whose behalf you are responding?

**University and College Union**

### 7. Do you want your response to be treated as confidential?

- Yes  
 No

If yes, please state clearly your reasons for requesting confidentiality

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### Consultation Response Questions

*-Please see guidance notes for completion overleaf.*

#### **8. Do you have any comments in relation to the proposed Departmental total Resource and Capital allocations in Table 2?**

**The University and College Union (UCU) represents over 3,500 members and is recognised in all the universities and colleges within Northern Ireland.**

**We have major concerns about the impact this budget will have upon learners in our colleges and universities, upon economic activity in the areas surrounding further and higher education institutions (FHEIs) and of course upon the job security of our members.**

**The allocations do not take account of the extensive rationalisation that has already occurred in both the further and higher education sectors in recent years.**

**In 2007 Further Education colleges were restructured from 16 down to 6. Year on year since then, colleges have undergone further redundancy rounds as FLU funding has reduced.**

**There are approximately 6,000 staff employed in the FE sector, two thirds of which are teaching staff. Less than 5% of the workforce comprise management grades. To pass on a 10.8% cut to the FE sector cannot be done without causing catastrophic damage to the frontline delivery of teaching and learning, effecting job losses and loss of student places. The FE sector will find it impossible to continue servicing 90,000 students across the Province whilst experiencing such a sizeable reduction to resource allocation.**

**Similarly, the Higher Education allocation has been cut by 18% over the last four years forcing the universities to find savings over £10m. As with FE, the overwhelming majority of staff within NI universities are directly engaged with teaching or its support, and any cuts will have a deep impact upon actual and potential students.**

**Against this inexorable trend of cutting expenditure on post-16 education and skills, we believe it will be difficult if not impossible for the department to achieve one of its key objectives - namely of increasing skill levels and qualification rates.**

**In addition, a reduction to higher education places available in N. Ireland will be likely to create additional costs for the executive, given that it will very likely lead to an exodus by potential home students to Scottish and English universities. £60m is already spent annually supporting students studying outside the Province, less than 40% choose to return.**

**Reducing the skill base in this way will deter business investors who will have a limited talent pool from which to recruit. UCU believes a skilled workforce is essential to the promotion of economic growth and that the Executive should be investing in post compulsory education not chopping it.**

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**9. What do you think the priorities for protection from reductions should be?**

The Department has already made substantial savings since 2011 and these have impacted directly upon learners and staff in NI's colleges and universities. We note that roundly 70% of the Department's expenditure is on FHEIs or related areas and would make it clear that we are opposed to any further cuts.

Indeed, we believe that the Department's social and economic mission is fundamentally jeopardised by cuts of the magnitude proposed. We note for example that the University and College bodies suggest that cuts will mean a loss of 1,100 HE and 16,000 FE student places with attendant job losses of more than 1,000.

We are of course concerned for the future livelihood of the committed professionals who make up the FHE workforce. However, what our members themselves are most worried about is the loss of opportunities for their students should the cuts take place.

In addition to the impact upon provision, members have raised particular concerns about whether given the scale of cuts facing the department, the Education Maintenance Allowance (EMA) is now also at risk. The EMA provides vital support for young people from disadvantaged socio-economic backgrounds to remain in education.

For those from lower income backgrounds, EMA is the difference between college being financially viable and not. UCU believes retention of this support is essential to maintaining equality of opportunity and participation in post compulsory education.

**10. Do you have any comments in relation to the potential impacts of Departmental Capital reductions as outlined in paragraph 40?**

Any reduction in the capital budget is disappointing, not least at a time when our academic infrastructure is in such urgent need of upgrading. However, in the current climate UCU believes that if such an unpalatable choice must be made, the Department should prioritise the maintenance of current provision, student numbers and staffing levels.

**11. Do you have any comments in relation to the potential impacts of Departmental Resource reductions as outlined in paragraphs 42-54?**

UCU notes DEL acknowledge the obligation of statutory duty under Section 75 Of the N. Ireland Act 1998 necessitating equality considerations when carrying out its function. UCU find it unacceptable that at the time of budget publication only a preliminary equality screening has been undertaken and is not publicly available. It is therefore impossible to properly comment on the potential impact the proposed cuts will have upon equality of opportunity and the promotion of good relations between protected characteristic groups. It is

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disappointing that a matter as important as equality has not been treated with appropriate seriousness.

UCU is of the view that the Province's further and higher education institutions represent one of very few examples in Northern Ireland society of fully integrated, cross community provision. We believe cutting the budgets of institutions which make such a positive contribution to community cohesion is a retrograde step.

The FE and HE sectors forecast that the combined loss of 17,000 student places will mostly affect those in the 16-24 year old age bracket. Both FE and HE provide important vocational, technical and professional pathways for young people. FE is often the last opportunity for students who left school with poor GCSE results or no qualifications at all and the success rates the sector achieves is staggering. According to the Department's annual report 'In the 2012-13, the latest year for which validated data is available, FE learner retention rates are excellent at 89% (88% 2011-12) and 87% (84%2011-12) respectively.' To cut a sector which is working, and which provides support to many of those who would otherwise be in the NEETs category is likely to have dire consequences for the social and economic fabric of society.

UCU is also alarmed at the proposal to remove the specialist and small institution premia to the Teacher Training Colleges – amounting to £2.2m. No rationale is provided to justify this cut. The removal of the premia combined with a 10.8% budget reduction will see funds allocated to St Mary's and Stranmills reduced by over 30%. In circumstances where the university colleges are subject to an imposed restriction on ITE places, thus inhibiting any organisational expansion that might lessen the dependence on the premia, UCU consider this axe to be unfair and unjust.

UCU is concerned that the proposed budget is being used as a smokescreen to further the political objective of dismantling the current teacher training infrastructure despite the excellent results it produces.

### **12. Do you have any comments in relation to the Department's proposed mitigation of front line service delivery as outlined in paragraphs 55-56?**

Paragraphs 55 and 56 seem to UCU to be wholly the wrong response to the budget crisis. Indeed, we find the concept of protecting the so called "front line" inappropriate in the context of education and skills, where all staff make a contribution to the achievements of learners. In addition, in our view making 400 civil servants redundant will weaken the department's own expertise and ability to achieve its mission.

UCU cautiously welcomes the development of shared services facilities in our colleges if this refers to the more effective and efficient management of non-human resources. UCU does not support a reduction to the important function back office support provides to teaching staff. UCU recognises the essential role of educational support staff, whose work academics rely upon to enable their focus to remain on research and teaching. It must be recognised that a

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decrease in support posts will inevitably lead to academic staff absorbing more administrative, technical and caretaker duties. UCU believes that this will inevitably and detrimentally impact upon the frontline delivery the Department wishes to protect. There will be less time available to co-ordinate and prepare courses, less time for academics to engage in research, and less time to keep abreast of and incorporate contemporary practical and theoretical developments into student programmes. It is, in UCU's experience, wrong to assume that shedding educational support staff will not compromise the capacity for academic staff to maintain their existing high standards of education delivery and research innovation. It is also likely to heighten industrial relations tensions in the sectors.

UCU notes the Department's intention to attract volunteers for redundancy among its own staff by making available the NICS voluntary exit scheme. The FE colleges estimate the loss of 500 jobs arising from the proposed 10.8% departmental cut. We are opposed to redundancies but we also believe that it is an unjustifiable inequity that lecturers are subject to the same regressive pay guidance as civil servants but there is no parity for redundancy remuneration which is calculated on inferior terms. For example, Civil servants attract a 21 month package while lecturers are capped to 45 weeks.

UCU believes frontline services can be more effectively safeguarded by the Department exercising a more robust and accountable system regulating the expenditure and procurement arrangements of NDPBs. The Public Accounts Committee's report into the Belfast Metropolitan College's Titanic Quarter PPP Project illustrates the consequences of unfettered autonomy in governance arrangements, resulting as it has, in the waste of over £20m of tax payers' money. Furthermore, UCU is of the view that NDPBs must not be permitted to recruit consultants on expensive contracts for services to perform functions that can be, and should be, undertaken by staff employed within the College.

UCU has reservations about a review of Youth Training with the objective of streamlining existing programmes available. Any such review must be done in conjunction with the sector's leading providers and must not result in a reduced number of places available. UCU believes it is crucial to the N.I. economy and to social cohesion that current levels of access to the jobs pipeline is maintained and ideally, expanded.

### **13. What alternative or additional proposals would you suggest for budget reductions?**

UCU believes the entire budget needs to be reconsidered, alongside the broader political priorities being pursued by the Executive.

We have real concerns about the direction of travel seemingly chosen by the Executive with regard to corporation tax. The DEL budget is littered with references to the assumed benefits a lower rate of corporation tax might yield for the N. Ireland economy. Shedding thousands of jobs to fund lower corporate taxation makes little economic sense in UCU's view.

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**Even the UK Treasury's own evidence shows that recent reductions in the UK rate from 28% to 20% only yield an increase in gross domestic product of 0.64% over the next twenty years<sup>1</sup>. Against that, as the Department itself has often argued in the past, increasing investment in education and skills yields substantial returns on investment over a much shorter period of time.**

**We see little evidence to support the prioritisation of lower business taxes over spending on improving the education and skills levels of the workforce.**

**UCU requests that the Executive gives consideration to the best use of the £67m Barnett Consequential predicted by the Finance Minister to address the cuts to FE and HE budgets when it finalises the draft budget in January 2015.**

**UCU believe that Further Education Colleges should be exempt from paying rates consistent with arrangements enjoyed by Schools. Removing this inequitable financial burden between educational establishments will permit FE Colleges to spend a larger proportion of their budget allocation delivering the core function of education and vocational provision.**

### **14. Are there any other comments that you would like to make in relation to the Department's Draft Budget 2015-16?**

**UCU has developed six tests against which we judge new policy proposals for further and higher education. These are:**

- 1. Will the proposal make it easier for people to reach their full potential?**
- 2. Will the proposal increase our academic capacity and research base?**
- 3. Will the proposal make the UK a more attractive place for academic staff to work?**
- 4. Will the proposal make it less costly for individuals to study, whether young or old?**
- 5. Will the proposal broaden the range of subjects available for study?**
- 6. Will the proposal lead to higher quality and reduced fragmentation in the sector?**

**As this submission makes clear, we believe the proposed budget fails on each of the six grounds.**

**We simply do not believe that enough consideration has been given to the impact this latest round of cuts will have and the repercussive effect they will have beyond further and higher education.**

**UCU believe that it is in the social and economic interests of Northern Ireland to protect provision for learners at our colleges, universities and teacher training institutions.**

**Thank you for taking the time to respond to this consultation.**

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### Guidance Notes for Completion

1. In your responses, please be as specific as possible in terms of the programmes and sectors being referred to.
2. For further information on the Department's full activities and programmes, please visit the Department's website at <http://www.delni.gov.uk/>.

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