

CONFIDENTIAL - ESTIMATES

**DEPARTMENT OF
EDUCATION AND SKILLS**

**COMPREHENSIVE REVIEW
OF CURRENT EXPENDITURE**



AN ROINN | DEPARTMENT OF
OIDEACHAIS | EDUCATION
AGUS SCILEANNA | AND SKILLS

9 September 2011

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Introduction

The Department of Education and Skills has a gross current budget in 2011 of €8,749m (€8,387m estimate plus €362m from the National Training Fund). 77% of this expenditure is public sector pay and pensions. It covers approximately one third of the public service with 103,000 full-time equivalent public servants. In addition to the public servants employed there is additional employment in the sector funded through non-pay grants.

This expenditure review is being undertaken at a time of significant demographic pressures at all levels of the education sector. The school going population is projected to increase by over 40,000 at primary level and by over 25,000 at post primary level over the next 6 years. Enrolments to higher education institutions are projected to increase by over 45,000 during the same period. There are increased demands for further education and training and the activation agenda requires an increased focus on provision of such places. These pressures will not only impact significantly on frontline services such as the number of teachers, special needs assistants and academic staff in higher education institutions but also in non-pay areas such as non pay funding for institutions at all levels, school transport and student grants and supports.

Additional expenditure pressures will also arise in relation to a number of planned reforms to improve the educational outcomes of all students and learners, a key priority for Government. The implementation of the Literacy and Numeracy Strategy, accompanied by changes in teacher education, will require the re-allocation and re-prioritisation of expenditure from within the vote. Reform of the Junior Certificate curriculum will require similar measures, as will the completion of the rollout of 100MB broadband to second level schools.

It is acknowledged that expenditure on education has been relatively protected in recent years. Nevertheless it is worth noting that measures that were aimed at securing some €750 million in full year savings were implemented or are being implemented in the Education Budget over Budgets 2009 to 2011. While some of this reduced expenditure arises from efficiencies secured across the education system and from the general impact of reductions (pay rate adjustments etc.) in the public sector paybill, there have been significant measures affecting the level of service and resources in various programmes and requirements for students and parents to contribute more financially to service costs.

The comprehensive expenditure review process offers a further opportunity to examine from a value for money perspective the wide range of programmes being delivered through the Education and Skills Vote. The review comes at a time when the Department is already pursuing a significant and challenging reform agenda across a number of areas. These are essential to ensure an adaptive education system capable of delivering on current society needs. Major changes to provide for a more diverse society and parental choice are being progressed through the Forum on Patronage and Pluralism in the Primary Sector and new school recognition procedures. Ensuring sufficient infrastructure for increased demographics requires new and innovative school building delivery methods. The new literacy and numeracy strategy, teacher education changes and curricular and assessment reform involve major change to

enhance educational outcomes. Revised Inspection arrangements are being rolled out. Implementation of the Higher Education Strategy involves a programme of legislative change, developing a revised governance framework, rationalisation of provision and developing measures to ensure sustainability and quality of provision. A major restructuring and refocusing of the skills, training and further education sector is underway in the development of SOLAS, the new further education and training authority. Vocational Education Committees are being transformed through a restructuring programme reducing 33 bodies to 16. The student grants system is being modernised and streamlined, reducing 66 awarding bodies to 1. A single qualifications body will replace 4 existing bodies. The Department is also in the process of preparing its Action Plan on foot of the recent report of the Organisational Review Programme, whose findings pointed to a number of potential areas for improved efficiency and effectiveness.

In approaching this review Departmental expenditure was divided into eleven programme areas. As agreed with the Department of Public Expenditure and Reform pensions expenditure of some €1,091m is not included, given legal entitlements and the fact that options affecting pensions expenditure would have to be implemented on a public service wide basis. It should be noted that there are potential expenditure pressures in this area arising from the end February 2012 deadline. Each programme is analysed and options for reforms and savings identified, a number of which are either variants on a particular option or mutually exclusive options. The analysis performed was based on the value for money criteria provided by the Department of Public Expenditure and Reform, although the timescale for undertaking the review was a limiting factor in some cases. A full list of all savings options identified is set out in tabular form in the appendix. In general, in analysing the programmes it is assumed that commitments under the Croke Park Agreement (Public Service Agreement 2010-2014) will be maintained and options on pay reductions etc were not, therefore, considered. [-Text redacted-]

The four-year National Recovery Plan included multi-annual expenditure ceilings for each Government Department, covering the period 2011 to 2014. The current expenditure ceilings for the Education and Skills Vote under the plan require reductions in expenditure of the order of €70m in 2012, €130m in 2013 and €150m in 2014, a total of €350m, after account is taken of the full impact of the budgetary measures announced in 2010.

Having examined the various options for expenditure reductions under the different Programmes the Department, in consultation with the Minister, has sought to identify a list of measures within those options that may be the most feasible to meet the targets identified. This list is set out in Section 4. The options identified are estimated to yield gross savings amounting to €132 million in 2012 rising to €468 million in 2014. Some of these savings will be needed to meet the cost of new policy initiatives as indicated above (National Literacy & Numeracy Strategy, commencement of Junior Certificate Reform, rollout of 100MB broadband), as well as additional upward pressures in relation to Student Support expenditure, which were not provided for in the 4-Year Plan. In relation to these new initiatives some savings measures would

have required to be implemented, notwithstanding this review, in order that the Department could deliver the initiatives while remaining within its funding allocation.

Even allowing for this the measures identified, if implemented, would deliver the expenditure ceilings set for the Education and Skills Vote in the National Recovery Plan, with the amount of the savings that would be secured in 2013 being significantly in excess of the ceiling for that year.

[-Text redacted-] It should additionally be noted that, given the timing of the school/academic year, many savings on the Education Vote can only yield full impact in the second financial year. It might also be noted that, while some priority issues are addressed, the costs of certain Programme for Government commitments (e.g. implementation of EPSEN Act) are not provided for.

Should demographic increases result in further upward pressure on teacher numbers some budget or other control measures would be required in order to remain within the Employment Control Framework ceiling. Such measures would be a first call on the savings options identified.

As part of this review the role of Non-Commercial State Agencies (NCSAs) and other bodies under the aegis of the Department of Education and Skills was examined. As well as being covered under each programme area below, summary details regarding this particular aspect of the review are also set out in section 3.

The savings identified in this report involve measures which will be sensitive, such as class sizes, reductions in SNAs, elimination of maintenance grant support for postgraduate students, etc. The option to abolish the school transport scheme and replace it with a grant scheme for the poorest students is included given the scale of savings required, but will give rise to major issues and would merit more detailed consideration by relevant Departments and Ministers before a final decision is made. Proposals concerning rates of FAS and other training allowances will need to be considered in the context of the approach taken to equivalent income support measures in other Departments. It should also be noted that certain savings measures implemented on the Education Vote could result in upward pressures on other areas of Government expenditure e.g. reductions in intake of third level students would have implications for Social Protection expenditure.

In undertaking the review and given the timeframe specified, the Department has sought to identify programme adjustments and reforms that can secure expenditure savings over the 2012-2015 period. Also identified, however, are a number of other measures and initiatives, involving in some cases longer-term reform and structural change or innovation, that will yield savings but over a longer time period, or while not yielding significant financial savings are important in the context of improving the quality of education provision. Thus while the table of savings options which accompanies this report is focussed on the period to 2015, reference is also made to strategies, reforms and initiatives that can achieve better outcomes for static or reducing resources, but over the longer term, e.g. the Strategy for Higher Education to 2030, the value for money review of small schools and the restructuring of skills and

training programmes. Any efficiencies or rationalisations emerging from such initiatives will also contribute to efforts to reduce expenditure. Reference is also made to initiatives in the area of shared services, particularly the consolidation of VEC payrolls and the migration of the Department's own staff payroll to a shared service arrangement, which can also yield savings over the medium term.

The large number of submissions received as part of the public consultation process conducted by the Department of Public Expenditure and Reform have been considered as part of the expenditure review. Submissions were made in relation to many areas of the Education and Skills Vote and these have assisted the process of identifying options to secure reforms, savings and efficiencies in education expenditure. Some of the proposals made will be considered over the longer term. A number of other submissions raised specific points concerning the operation of various education and skills programmes and policies and these are being considered by management in the relevant areas of the Department. The Department acknowledges the contribution made by those who participated in the consultation process.

Programme 1. Schools Mainstream (Teachers and Funding)

PROGRAMME EXPENDITURE:

Programme expenditure covers:

Pay – €2.68 billion

School Funding/Non-pay - €456 million

System Administration – €35 million

School accommodation current expenditure - €54 million

Overall Total - €3.22 billion

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

Public Service Numbers (mainstream)

Primary 21,700; Post-Primary 20,300; Total 42,000

These figures consist of mainstream classroom teachers and also include school principals, guidance teachers at post-primary etc. They do not cover the human resources for further education, special education or for the provision of language support to newcomer children, which are included under other programmes.

The numbers include 457 secretary, caretaker and cleaner posts in Community and Comprehensive Schools and 1,760 VEC administrative (in schools and in HQ) and maintenance staff.

It should be noted that the VEC administrative staff figure includes all VEC HQ staff including those administering further education programmes covered in Programme 6 - Skills, Further Education & Adult Education and Programme 8 - Student Support and Student Access.

In addition to the caretaker and secretary posts in public service numbers, there are secretaries, caretakers, cleaners and administrative staff employed in other schools and VECs who are paid from non-pay grants and who are not regarded as public servants. There are an estimated 9,000 such staff.

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

School Mainstream Programme and elements within it

The programme covers the mainstream provision in 3,165 primary schools and 730 post-primary schools providing for almost 510,000 primary pupils and just over 317,000 post-primary pupils (excluding further education).

Other than 55 post-primary schools (of which 32 are Catholic, 20 Protestant, 2 interdenominational, 1 Jewish), all other schools (i.e. those in the “free scheme”) are precluded from charging fees for tuition or making enrolment conditional on payment of a fee and are therefore totally reliant on state support, allied to any local fundraising by the school or its parent body. There is no reliable information available on the level of local fundraising or its variance from school to school or by locality.

Pay

The pay provision provides for the remuneration of those staff regarded as being public servants. It provides for the teachers in mainstream classrooms delivering the primary curriculum and the programmes at Junior and Senior Cycle at second level.

School Non-Pay Funding

This falls into two broad categories.

1. Primary and Post-Primary schools (within the free scheme) are funded on a per capita basis. The funding is to meet the general running expenses of schools such as heat, light, insurance, maintenance costs, the purchase of equipment and the non-pay costs of specific educational programmes, such as Transition Year and the Leaving Certificate Applied.
2. Funding is also provided on a per capita basis to primary schools and voluntary secondary schools to enable them employ support staff. Those employed are not included in public service number returns. Schools have discretion in relation to how this funding is utilised in terms of the mix of support staff and the number of hours any individual is employed. It is estimated that there are approximately 9,000 such staff employed.

School system & other VEC administration costs

Administrative overhead includes the cost of support to national management bodies and national parents councils, the operation of the Section 29 statutory appeal system, occupational health service for teachers covering pre-employment medicals, occupational health assessment and ill-health retirements and Employee Assistance Service and VEC HQ administration costs (total is across all VEC Programmes, not just those related to Programme 1).

School accommodation current expenditure

This covers

- (i) the rental of temporary school accommodation and
- (ii) the unitary payments on the primary and post-primary schools constructed and operated under the Public Private Partnership (PPP) model.

Rationale and Relevance

The programme is about providing universal access to primary and secondary education. As such it is in line with the well established norms of civilised societies. It is inconceivable that such a programme would be terminated or phased out. Consequently establishing if there is a valid rationale for the programme, testing its continued relevance or assessing if there is capacity to cease the programme, are not considered relevant in respect of this programme and are not addressed.

PROGRAMME EFFECTIVENESS & EFFICIENCY

Efficiency and Effectiveness - Overall programme

Context

Mainstream classroom teachers in primary schools are allocated on the basis of one teacher for an average 28 pupils. Prior to September 2009, the allocation basis, or staffing schedule, was 1:27 and the last time it was 1:28 was in the 2006/2007 school year. In the 1997/98 school year it was 1:32. (Note: The allocation basis is not a direct measure of Pupil-Teacher Ratio (PTR) since PTR is expressed as the total number of pupils divided by the total number of teachers which includes teachers other than classroom teachers).

Teachers in post-primary schools are allocated on the basis on one teacher for 19 pupils (20 pupils in the case of fee charging schools). Prior to September 2009, it was 18:1 for all post-primary schools. The ratio of 19:1 last operated in the early 1990's.

OECD comparison- funding

The latest OECD data are in respect of the 2008/2009 school-year and pre-date the teaching resource adjustments made in Budget 2009 that took effect in September 2009 and those taking effect in September 2011 as a result of Budget 2011.

Average class size and pupil-teacher ratio (PTR) have been falling at primary level since the 1990s. For the most recent year of comparison the primary PTR, at 15.9, was approximately equal to the OECD average of 16.0. Average class size is a better measure of the impact of this particular programme at primary level. Average class sizes at primary level are consistently more than 2 pupils above the OECD average which puts Ireland in the bottom quarter of the OECD rankings. Pupil teacher ratio at post-primary level is marginally below the OECD average which puts Ireland mid table in relation to the OECD rankings. While class size is not the most significant issue affecting quality outcomes smaller class sizes at infant level (junior and senior infants) would seem to have a positive affect on learning outcomes.

Similarly the OECD data on per pupil overall expenditure pre-date the change. Expenditure per student at primary level in Ireland was, in 2008, just slightly above the OECD average, having been below the OECD average in years prior to 2007. Ireland is ranked 12th of 31 countries on expenditure per student at primary level.

Expenditure per secondary pupil also exceeded the OECD average, resulting in a ranking of 7th of 32 countries.

In the case of teacher compensation the OECD indicators show that the salaries of teachers in Ireland are ranked as follows:

Primary:	2 nd highest of 33
Lower Second Level:	3 rd highest of 32
Upper Second Level:	4 th highest of 32

In most OECD countries primary level teachers are paid around 20% more on average than the value of GDP per capita in that country. On this measure Irish teachers were still paid relatively better than primary teachers elsewhere. When this measure is related to other OECD indicators it points to the extent that higher than average teacher compensation (before salary reduction measures contained in recent Budgets) means in relative terms that the level of resources available for non-pay funding to schools and for the number of teachers that can be employed within the overall funding available, is lower, by comparison with other countries. The level of teacher compensation may contribute to the fact that primary teaching in particular can attract those who do well academically in the Leaving Certificate, as evidenced by the CAO scores of applicants. This may be a contributor to the quality of teaching and learning outcomes.

Outcomes (Educational completion, Rates of literacy and numeracy) and international comparisons

The OECD data for 2008/09 show that 86% of 25-34 year olds in Ireland had completed education to Leaving Certificate level (or equivalent abroad) compared to 81% across the OECD. In relation to learning outcomes prior to the PISA study of 2009 the general point could be made that, from what had historically been a generally below average position on various resource allocation indicators, Ireland achieved better outcomes than countries deploying greater resources.

The 2009 PISA study highlights the sharp drop in the rankings for reading and maths. Irish students' ranking in reading has fallen from 5th in the PISA tables in 2000 to 17th in 2009 among the 39 countries participating. The fall in reading (31 score points) is the highest fall experienced by any country. The ranking of Irish students in maths fell from 20th in 2003 to 26th in 2009 among the 40 participating countries. The fall in maths (16 points) is the second largest fall of any country.

Demographics

Of critical significance is the overall demographic trend for the period 2010-2014 where enrolment at primary and post-primary level is projected to increase as follows:

Primary	-	By around 30,000 or 6% over the autumn 2010 level
Post-primary	-	By around 14,000 or 5% over the autumn 2010 level

Inward migration and the increase in the numbers of pupils for whom Irish or English is not the mother tongue has diminished the once homogenous composition of the pupils in a typical Irish classroom. It is premature to speculate as to the effect that this change will have over time. It is however relevant to any assessment of the extent to which average class size could be increased further.

General conclusion

In terms of finding justification for expenditure reduction through testing the overall efficiency of the schools programme there is arguably little comfort from any reliance on international benchmarking, other than in relation to teacher compensation. The following section examines efficiency and effectiveness measures that are either ongoing or could be introduced within sub-elements of the programme.

Efficiency and Effectiveness – sub elements of the programme

A. Ongoing measures

Reduction in promotion allowance posts

A moratorium on the filling of middle management posts of responsibility in schools was introduced in March 2009. These posts of responsibility are held by teachers who in addition to their classroom duties also perform some management duties. Since the introduction of the moratorium the overall number of posts of responsibility has reduced by about 4,100 (1,860 at Assistant Principal level and 2,240 at special duties level). This is yielding annual savings of about €24m.

Some limited alleviation was provided for schools that were worst affected by the impact of the moratorium. The Department of Finance has given approval for the limited alleviation to continue on the same type of basis for the 2011/12 school year.

The percentage of teachers with posts of responsibility allowances (including for Principal and Deputy Principal duties) was previously over 50% and is now 45% at primary level and 42% at post-primary level.

Reducing teacher sick leave

The Occupational Health Strategy (OHS) is designed to promote the health of teachers and SNAs in their workplace, with a focus primarily on prevention rather than cure.

Combined with other reforms in this area, the introduction of the OHS reform has already had an impact. In its first year of operation, there was a reduction of 40,000 in the incidence of sick leave days claimed and consequent substitution cover (from 2007/08 to 2008/09).

Current expenditure on school accommodation

In the context of a rapidly increasing school population and the necessity to put additional accommodation in place in a short time-frame, it continues to be necessary to use temporary accommodation to meet the needs of schools in certain circumstances.

Expenditure on rental of temporary accommodation (prefabs, buildings and land) for primary and post-primary schools over the last 2 years was:

2009: €39m

2010: €29m

2011: €29.4m has been allocated

The reduction in costs is a direct consequence of the buy-out of rented prefabricated accommodation and changes in policy in relation to the delivery option given to schools of traditional build if the accommodation requirement is for over 3 years. The Department is currently developing new procedures and systems for the provision of temporary accommodation with a view to achieving best value for money, having regard to the commitments in the Programme for Government to achieve greater value for money in this area.

The Department is contractually committed to paying certain Unitary Charges for the schools operating under PPP agreements. Consequently, there is no scope to reduce the Unitary Payments.

B. Potential for further savings

Substitution Costs

Consideration could be given to reducing the maximum 30 days leave in lieu earned in holiday periods for teachers on maternity leave, similar to the approach adopted by the UK authorities, provided that this conforms to statutory requirements.

VFM study on small primary schools

There is a VFM study currently underway in relation to small primary schools (with enrolments of less than 50 pupils). At present there are 594 such schools (5 one-teacher, 557 two-teacher schools and 32 three-teacher schools), in respect of which a Principal's Allowance and Post of Responsibility Allowance would be payable as appropriate. One-teacher schools have fewer than 12 pupils and two-teacher schools have between 12 and 49 pupils. There are currently 1,215 classroom teachers for the 18,239 pupils in these schools. This means that there is an average of one teacher for every 15 pupils as opposed to the average of one teacher to every 28 pupils for larger schools.

Some of the inefficiencies in the staffing for small primary schools could be dealt with by adjustments to the staffing schedule for these sized schools. At present there is a more favourable ratio for allocating teachers at the lower end of the schedule. For example a school with 50 pupils has an allocation of 3 teachers while a school with

230 pupils has an allocation of 8 teachers. This could also help to increase the incentive for small schools to amalgamate (although it should be noted that amalgamations can also result in capital costs). However, there will always be a requirement for some very small schools for geographical reasons (e.g. on islands). A number of the small primary schools are under the patronage of the Church of Ireland. Any policy decision to change the staffing schedule would, for constitutional reasons, have to apply equally to schools of all types of patronage.

A number of the public submissions received as part of the CER consultation process dealt with the issue of small schools and the scope for rationalisation and merger of such schools.

VEC Restructuring - €3m in the medium term

The Government has decided to reduce the number of VECs from 33 to 16. It is anticipated that savings of €3m are achievable in the medium term from rationalisation of the number of VECs as well as facilitating the development of a more effective service. The development of a single payroll service for VECs is also being progressed.

IDENTIFICATION OF SAVINGS OPTIONS

Pay

In relation to the pay element of this programme the cost drivers are the numbers of posts and the pay costs for these numbers.

Numbers of Posts

Context

The ECF has provision for 1,000 additional teachers in 2012 for demographics. The ECF is also based on budget reductions of 270 posts in 2012 (125 posts for language support and 145 posts in respect of budget savings at post-primary level from 2011 that it was assumed would not be achieved until 2012). Progress on post-primary redeployment was better than originally anticipated in 2011 which helped ease some of the impact in 2011 of higher retention levels.

The Department recently updated its statistical enrolment projections. By applying the same percentage increase for demographics to overall teacher numbers would indicate a requirement in 2012 for 915 additional teachers. This leaves little or no room for contingencies should increased enrolment in individual primary schools or higher retention levels at post-primary result in a greater level of demand than the percentage for demographics would indicate. It also means that, unlike in 2011, resource posts can only be permitted to increase by the percentage for demographics (increases in 2012 of 1.65% at primary and 1.36% at post-primary). Similar type constraints will also apply in 2013 and 2014.

To remain within the ECF ceilings some budget or other control measures will be required, particularly at post-primary level. Essentially such measures will be a first call on the options for effecting savings identified below.

Current Government policy rules out redundancy as an exit mechanism to facilitate savings through a reduction in teacher numbers. As matters stand capacity to achieve a yield from measures to reduce numbers is limited to what can be achieved by retirement allied to redeployment. The level and location of vacancies are key determinants of what can be achieved in any one year. The matching of surplus teachers to vacancies in their subject areas is the additional complication at post-primary level. Vacancies arise due to retirements, demographic growth etc. Any measures to reduce teacher numbers under this programme area would have to be viewed in aggregate with any such measures in other programmes in order to establish the potential net yield in any one year. As teacher allocation operates according to the school year as distinct from the calendar year, measures cannot be implemented until the September following the decision and yield one third of the benefit in the first year.

Primary – options to reduce teacher numbers

At primary level, if targeting a significant reduction in numbers, a 20% reduction, for example, in the mainstream staffing would remove some 4,340 teachers but it would take many years to achieve. In order to achieve this level of reduction within the mainstream staffing it would require the staffing schedule to be increased by somewhere of the order of 30% to 40%. The higher percentage reflects the fact that savings only arise in those schools whose enrolments are on the cusp of the various bands in the staffing schedule.

The staffing schedule at primary level currently operates on the basis of a general average of 1 classroom teacher for every 28 pupils. In order to achieve a 20% saving on staffing the staffing schedule it is indicatively estimated that it would need to change to about 1 classroom teacher for every 35 to 40 pupils. To give this some context, the staffing schedule operated at 1 teacher for every 32 pupils in the school year 1997/98. Changes in the staffing schedule of this magnitude would also have a significant impact on average class sizes and the numbers of pupils in schools in classes of 30 or more.

A one or two point increase in the staffing schedule would not give rise to the same problems as a rise of 5 or 6 points. Each 1 point increase in the staffing schedule results in a saving of the order of 350 posts making a saving of €21m (€7m in the first year of implementation).

Post-Primary – options to reduce teacher numbers

At post-primary level, a reduction of 20% in the mainstream staffing would amount to about 4,060 teachers and it would take many years to achieve. Again, in order to achieve this level of a reduction within the mainstream staffing, it would require teachers to be allocated to schools on the basis of 1 teacher for about every 23 pupils (currently 19:1). To give this some context, the staffing schedule operated at 1 teacher for every 20 pupils in the school year 1988/89, which is the highest it has ever been. Unlike primary, this would result in a reduction in staffing in every post-primary school.

Each 1 point increase in the staffing schedule results in a saving of the order of 850 posts. This would lead to an annual saving of about €54m (€18 m in the first year of implementation). There are other options that could be employed here. For example, a more targeted approach would be to differentiate between fee-charging schools and non fee-charging schools. In this regard an option to increase the staffing schedule in fee-charging schools has been included in the list of savings options. Also, for curriculum reasons, differentiation could be made between single sex and co-educational schools. At present, a single sex school gets the same allocation as a co-educational school and a standalone school gets the same allocation as a school that is one of several providers in the one area. The challenge to provide a range of subjects and courses is more difficult for the co-ed and sole providers. It should be noted that any policy decision to change the staffing schedule would, for constitutional reasons, have to apply equally to schools of all types of patronage.

Another second level option is to terminate the dedicated staffing allocation for guidance teacher posts in schools, leaving schools to provide for guidance within their basic allocation. There may be some difficulties in redeploying guidance teachers released by schools and could take at least 2 years to achieve.

A further option is to remove paid Chaplain posts in community and vocational schools, or allow schools to continue with a Chaplain but by suppression of a teaching post. *[-Text redacted-]* Redundancies would be required in other cases, given that some post holders are not teachers and have no redeployment option. This option would lead to an annual saving of €9m (€3m in the first year of implementation). The yield would be reduced by the cost of any redundancies.

Pay Costs

Context

[-Text redacted-]

Many of the proposals submitted through the public suggestions process effectively involve changes to the terms and conditions that are of longstanding for teachers. It would be difficult to effect change that would single out teachers as a stand alone category for more significant worsening of pay and conditions relative to the scale of change being demanded from other public sector workers.

The Croke Park agreement has provided the framework for securing the cooperation of teachers in relation to the redeployment arrangements and the lack of disruption to schools from the loss of middle management posts. Almost 1,100 teachers have been redeployed within the schools system in advance of the 2011/12 school year under the current redeployment arrangements. This unprecedented level of redeployment has facilitated the securing of the savings identified with the reduction in teacher numbers announced in last year's Budget. Similarly the moratorium on the filling of middle management posts of responsibility in schools in March 2009 has resulted in a reduction of approx. 4,800 such posts across the school system yielding annual savings of €24 million. The post of responsibility structure for teachers is essentially analogous to promotion structures in other areas of the public sector. It is considered that the continuation of the moratorium on such posts with some limited alleviation for schools disproportionately affected will continue to significantly reduce the number of these posts in schools and is the most effective measure in securing the desired outcome of reducing the overall costs of these allowances.

Payroll changes - Qualification allowances and incremental credit for teachers

[-Text redacted-]

Of total payroll costs, the 2010 spend on qualification allowances for teachers has almost doubled since 2000, driven by increases in teacher numbers and teachers entering the profession with higher qualifications. *[-Text redacted-]*. If the position is unchanged, an additional €150m pay over the common basic scale is projected as needed by 2020 (based on no overall change in teacher numbers). The qualification allowances are lifelong (built into annual remuneration and pension). Most teachers now have an honours degree and H.Dip (or equivalent) and from 2013 will be required by the Teaching Council to have this anyway. *[-Text redacted-]* Budget 2011 requires new entrants to public sector employment to start on the first point of the salary scale. This has resulted in an elimination of awarding incremental credit for initial teacher training (duplicated by also paying qualification allowances)

which has led to new appointees starting on the first point of the scale rather than the third point. Therefore, the effective rate reduction for teachers from this measure is 14%. For example, the starting point for a new teacher with an honours degree and H.Dip is now €33,352 compared with €41,387 in 2008. [-Text redacted-]

Qualification allowances are also untargeted and teachers receive them for courses they choose to pursue rather than ones which the Department deems as beneficial. A teacher may pursue a certain course in the knowledge that this will feed into his or her remuneration. [-Text redacted-].

Incremental credit at present is given not only for recognised teaching service in Ireland or abroad but also for relevant non-teaching service. This is quite loose and may relate to one teaching job but not be relevant to other teaching posts over a working career. [-Text redacted-].

School Non-Pay Funding

Reduction in rate of Capitation Grants

A percentage reduction could be made to capitation grants. They have been reduced by 5% for the current school year. In relation to the scale of any such reduction it is matter of judgement as to what level would bring schools to the point where they might not be able to remain open if they are not able to fund essential expenditure, such as insurance, water charges, lighting or heating. Each 1% reduction in capitation funding would yield €3.5m per annum.

Abolition of Protestant Block Grant – €6.5 million

The current arrangements preclude total abolition before 2015. Funding can be reduced in line with any comparable reductions in other relevant funding schemes. This scheme is in place since the introduction of free post-primary education in 1967 and is essentially a student support scheme to enable access. It operates on a mean-tested basis. Only 6 schools under Protestant management are within the free scheme; the remaining 20 charge fees. Reduced funding could result in low income parents from the Protestant community being unable to send their children to schools within their denominational ethos [-Text redacted-]. Decreased enrolments would threaten the viability of the some of the schools, particular those in isolated rural areas.

Abolition of book funding – €10.9 million + VEC €2.2m (DEIS schools excluded)

This funding was removed in the October 2008 budget for schools other than DEIS schools but reintroduced in the December 2009 budget. Ireland is one of the few EU member states to charge for books throughout a child's education. Schools have been encouraged to introduce book rental schemes, but it is not compulsory.

Remove minimum enrolment threshold to primary schools - €7.43 million – or reduce from 60 to 30 - €3.34 million

857 schools have fewer than 60 pupils. Capitation funding is fixed at a minimum level equating to a 60 pupil school. The floor could be removed or reduced to a lower base e.g. 30 pupils.

Many smaller schools would find it impossible to function on the reduced funding and would have to consider closure or amalgamation.

Abolition of programme grants to post-primary schools - €2.92 million + VEC €1.15m

These grants were removed in the October 2008 budget and reintroduced in the December 2009 one. They comprise enhanced capitation payments in respect of pupils taking part in the Junior Certificate Schools Programme, Transition Year, Leaving Certificate Applied and Physics and Chemistry.

Abolition of Irish language grant – €0.72 million

Gaelscoileanna located outside of the Gaeltacht receive an additional €24.12 per pupil. This is to give an extra incentive to promote the use of the Irish language in areas outside of the Gaeltacht.

An additional per capita grant is paid to secondary schools in which instruction is through the medium of Irish in full or in part. The rate, which is determined by reference to the standard per capita rate, is €115 where all pupils are taught all subjects through Irish and €23 per pupil per subject where a maximum of 4 subjects are taught through Irish. Only 14 schools are involved.

Abolition of Modern Languages in Primary Schools Initiative - €2.53 million

This programme promotes a Modern Languages Initiative in Primary Schools, with pupils in 5th and 6th classes in the participating schools being taught one of four languages - French, German, Italian or Spanish. There are 510 schools currently participating in the scheme. Of these schools, 253 currently receive a grant to employ a part-time tutor, while the others provide tuition within their own resources. Since, 2009, schools are permitted to join the initiative only if they have internal teaching capacity.

In a recent Report, the National Council for Curriculum and Assessment recommended against a further expansion of the language competence model, citing issues of curriculum overload and difficulties relating to the replicability of the model across the system. In this context, the feasibility of modern languages as an extra curriculum component with additional requirements and competencies becomes untenable. The Council has recommended that "modern languages do not become part of the primary curriculum at present as an additional and separate subject."

It is proposed to use the savings here to part fund the Literacy and Numeracy Strategy.

Foreign language Assistants/Teacher Exchange - €0.16m

Supervision/Substitution Scheme – reduce administration to 2% - saving €1.5m

An administration grant equal to 5% is currently paid to school authorities and VECs toward the cost of administering the S&S scheme. Savings could be achieved by reducing the level of grant. [-Text redacted-].

Savings options

There are essentially two routes to effect the scale of savings required.

1. Reduce the number of teachers
2. Reduce capitation funding to schools.

There are a number of other measures which can make a marginal contribution.

In relation to capitation funding it would seem preferable (given the experience with programme grant reductions post 2008) to proceed by way of an overall percentage reduction across all grants. The percentage reduction on capitation that is used to employ ancillary staff may need to take account of pay policy generally and consequently the percentage reduction in capitation for running costs may have to be higher in order to achieve any particular level of savings required.

In relation to teaching posts a change to allocation systems is unavoidable. At primary this means changing the basic staffing schedule. This change could include a change to the treatment of small schools to remove any disincentive for amalgamations.

At second level the basic allocation ratio should change. This could include a differentiated approach with a greater change for fee charging schools. From any efficiency and school autonomy perspective there is a value in making schools handle guidance from within the basic allocation. At present the basic allocation is not differentiated to reflect the different demands on co-ed compared to single sex schools and for schools that are sole providers in an area. It would be desirable on equity grounds to move to a system that contains some differentiation given the likely scale and impact of the reductions that we will have to make and their impact on schools.

Further devolution of decision making authority to school principals/boards of management

The Programme for Government commits to greater delegation of responsibility to schools stating, “*We will give greater freedom and autonomy to school principals and boards to raise educational standards by devolving more responsibility locally, with greater freedom to allocate and manage staff with required flexibility and to delegate management responsibilities to teachers as school priorities require.*”

The Department is examining the approach to the implementation of this commitment over the next number of years. Since the early 1980s most OECD countries have involved themselves in a process of devolving greater autonomy and responsibility for decision making to either intermediate structures between central government and primary and post primary schools (‘local empowerment’), or to school boards and principals (‘school empowerment’). The evidence on the extent to which devolution actually leads to improved educational outcomes is mixed. This is partly due to the difficulty in isolating the impact of individual factors on student learning. The positive relationships seem to relate to schools’ autonomy in relation to curricula and student assessment rather than to giving schools greater responsibility for managing resources. The relevant OECD report states:

While there is a clear relationship between the degree of curricular autonomy a school system offers its schools and the system’s performance, this relationship is less clear when the degree of autonomy in allocating resources is analysed through measures such as: selecting teachers for hire, dismissing teachers, establishing teachers’ starting salaries, determining teachers’ salary increases, formulating the school budget, and deciding on budget allocations within the school. The absence of a clear relationship could result from autonomy in allocating resources changing the ways in which resources are distributed, which, in turn, may benefit some schools but not necessarily improve the system’s overall performance.

There are a number of areas of responsibility that have been devolved to schools across OECD countries in recent years. These include responsibility for curricular planning and implementation, management of school funding, teacher salaries and teacher recruitment and dismissal procedures. In general, the pattern is that schools have higher levels of autonomy in resource and curricular decisions and lower levels of autonomy in staffing decisions such as teacher salary levels and teacher recruitment.

Schools in Ireland have a significant amount of local autonomy. This applies to the selection of personnel, the organisation of curriculum and school policies, and in some of the choices that may be made with regard to school funds. Resource teachers allocated for general needs across all schools and a school’s SNA allocation can be deployed flexibly by the school in the manner that best meet relevant student’s needs. In relation to teacher recruitment the position in Ireland is in some respects more decentralised than other countries as in primary and voluntary secondary schools the Board of Management is the employer of all teachers whereas in some jurisdictions a local authority or equivalent acts as the employer.

The issue of ensuring more responsibility and accountability at school level rather than centrally or through external agencies (e.g. State Examinations Commission, nationally determined curriculum, external probation and induction of teachers) is a core part of the reforms in relation to curriculum assessment, teacher performance and the national literacy and numeracy and strategy.

With regard to resources measures are underway to streamline grants and these will continue. Schools were authorised in 2009 to consider the separate grants they receive (e.g. capitation, ancillary services, book grant etc) to be a common grant that they can use according to their school's priorities. The Department's stated policy is to streamline the payment of grants, in order to ease the administrative burden on schools and on the Department itself. The eventual goal is to make all payments in a single grant. The Department is currently consulting with the management bodies and upgrading I.T. systems in order to advance this. Given the different basis on which such grants are calculated this will be managed over time as there will be "winners" and "losers" in a single grant mechanism.

In relation to teacher allocation, there is scope to streamline the allocation process and to increase the flexibility of schools in the deployment of such resources and proposals are being developed in this respect. It should be noted that the current system of teacher allocation has the advantage of targeting additional teaching resources at specific cohorts of pupils that require extra support e.g. special needs pupils, disadvantaged children. Giving schools full flexibility of deployment of such resources will need protocols / safeguards for service delivery for such pupils. Recent industrial relations agreements provide principals with flexibility in the allocation and varying of duties for posts of responsibility.

In the context of the structural reform of further education and training, changes to the staff, funding and accountability framework for PLC Colleges (currently treated as second level schools) may provide insights in approaches that could be adapted to larger second level schools.

There are a number of factors that need to be considered in developing the potential for major structural change devolving resource deployment, particularly in the current fiscal environment.

- In many OECD countries, the level at which resource deployment on a devolved basis is managed is at local education board rather than school level. In Ireland, with the exception of the VEC sector, such a tier does not exist. The scale of schools in Ireland is small compared with many other countries e.g. just under half our primary schools have less than 100 students, 55% of our second level schools have less than 500 pupils.
- The existing level of decentralisation to school boards and principals in Ireland has been criticised by some stakeholders as being too onerous on board members and principals. Any consideration of the extent to which further responsibilities could be delegated to school boards or principals would have to take into consideration the existing constraints on boards / principals and the type of supports that would be required to address these issues.

- The need to reduce public sector numbers and redeploy surplus teachers imposes constraints on school employment decisions. While Principal and Deputy Principal posts are exempt from the moratorium, and some limited alleviation arrangements were put in place in 2011 to fill some Assistant Principal posts of responsibility in particular schools, any proposals for delegation of administrative responsibilities from the principal to other members of the school staff would have to take into account the moratorium on posts of responsibility.
- There is a risk that in managing resources at school level and if schools were making all the decisions where the cuts should be made, there could be an adverse impact on certain groups of students such as those with special needs. While experience has shown that schools are generally willing to responsibly utilise and manage their allocated resources flexibly, in a small number of cases, a reduction or dilution of these resources can be met with resistance, even in circumstances where the resource reduction, or increase in pupil numbers qualifying for these resources may be slight. There are examples of schools who don't take their 'fair' share of pupils, schools with adequate numbers of SNAs, who refuse to enrol additional special needs pupils unless they get more resources, special schools with better staff: student ratios than needed or normal in other jurisdictions who when modest adjustments are made turn away students who could be accommodated with their resources. The nature of our existing devolved system, parental choice of school and autonomy in school enrolment policies and the fact that unlike within some systems, there are not geographical catchment areas where schools have to cater for all students in their area within a budget, poses particular difficulties, some of which we are taking measures to address.

For all these reasons structural changes to encourage devolved responsibility particularly in the deployment of resources are complex and the development of proposals will have to take account of these factors. There would seem to be considerable potential to increase school ownership of curriculum and assessment, streamline to allow more flexibility in staff and funding allocations and to develop efficiencies through devolved locally co-ordinated service provision. While these will improve education provision and the Department is anxious to pursue them, it is unlikely to have a significant impact on delivering expenditure reductions.

Programme 2. Special Education

- 2.1 Special Education Teaching Resources
- 2.2 Special Needs Assistants Scheme
- 2.3 National Council for Special Education
- 2.4 Miscellaneous Sub-programmes

2.1 SPECIAL EDUCATION TEACHING RESOURCES

PROGRAMME EXPENDITURE:

€656m

PUBLIC SERVICE NUMBERS FOR PROGRAMME:
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<i>(Excludes Department staff who are included under Programme 10)</i>
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11,523	(5,500 Resource Teachers / Learning Support Teachers)
	(4,450 General Allocation Model)
	(1,155 Special Schools)
	(418 Primary Special Classes)

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The objective of the programme is to provide teaching supports to children with special educational needs. The rationale for the programme is relevant and on-going given the obligation of the State and the rights of such students. Provision for children with special educational needs is made in special schools, special classes or in mainstream classes with additional supports. Special schools and special classes operate under reduced staffing schedule ratios. Additional teachers to support children in mainstream classes are allocated in two ways. Primary schools have a permanent allocation to cater for the more common (high incidence) special needs such as dyslexia. This is called the General Allocation Model (GAM). Additional teaching hours are also allocated by the National Council for Special Education (NCSE) for children with the less common more complex (low incidence) needs such as autism, on the basis of individual applications supported by professional reports. All allocations at post primary are made by the NCSE on the basis of individual reports as students, even with the more common needs, are not spread evenly across schools. Without these additional teaching resources children with special educational needs would not be able to access education. Parents of special needs children have in the past and continue to litigate to vindicate the rights of their children to an education.

4,450 wte posts have been allocated under the GAM and 5,500 wte posts have been allocated by the NCSE under individual allocations. There are a further 1,155 posts in special schools and 418 posts in primary school special classes. There are also 43 visiting teachers that provide services to the visually impaired and the hearing impaired.

The programme is relevant to the Programme for Government which states that: *We will support diversity in education of children with special needs, recognising that both intensive education and mainstreaming can be seen to work for individual children.*

PROGRAMME EFFECTIVENESS & EFFICIENCY

The staffing schedule ratios for special schools and special classes are based on the recommendations of the Report of the Special Education Review Committee 1993 (SERC), as are the individual allocations made by the NCSE.

The SERC was established in 1991 to report and make recommendations on the provision to be made for children with special educational needs including the identification of needs, the nature of the educational provision to be made, the nature of the teacher and support services that should be provided and linkages between Departments of State and other services. It reported in 1993 and its recommendations included pupil teacher ratios for different categories of disability.

The GAM allocations are related to the SERC ratios and the ratios formerly applying to remedial teachers. The GAM allocations to individual schools were based on 2003 enrolments. The pupil population at primary has increased by almost 70,000 since then. This means that schools have effectively been operating under reduced ratios since the original allocations. This has to be updated next year which, with a cap on resources, will mean a worsening of the ratios.

The Ombudsman for Children has called for updating of the GAM following a complaint from a school.

The cap imposed by the ECF has resulted in a 10% reduction in the individual allocations to schools by the NCSE, while a review of staffing and pupils in special schools has identified overstaffing of over 150 posts which it is intended to remove next year.

IDENTIFICATION OF SAVINGS OPTIONS

In the context of increased enrolments and a cap on numbers the rate of allocations of resource teachers is disimproving. Further reductions could be made in the rate of allocations although schools may refuse to enrol pupils with special educational needs and the potential for litigation would have to be considered.

Every 10% reduction in these allocations will save €65.6m per annum. Any reductions in special needs allocations would need to be proportionate to reductions in mainstream allocations.

[-Text redacted-]. The proposed removal of 150 posts from special schools which are considered to be in excess of needs will save €8.5m per annum.

2.2 SPECIAL NEEDS ASSISTANT SCHEME - PRIMARY/POST PRIMARY

PROGRAMME EXPENDITURE:

€365 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

10,575 SNAs (8,510 primary, 2,065 post-primary)

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The objective of the programme is to fund the employment of special needs assistants (SNAs) to meet the care needs of pupils with special educational needs (pupils with significant medical needs or significant impairment of physical and sensory function or where a pupil is a danger to themselves or others)

Without SNAs the pupils in question would be unable to access education. The programme is relevant to the Programme for Government which states that *'We will support diversity in education of children with special needs recognising that both intensive education and mainstreaming can be seen to work for individual children'*.

PROGRAMME EFFECTIVENESS & EFFICIENCY

A Value for Money and Policy review of the SNA scheme was recently carried out. The review has found that the scheme has continued relevance and provides for the delivery of an inclusive school environment for students with disabilities.

However, the review also concludes that the scheme does not deliver value for money as the over-allocation of SNA posts and the resistance to suppressing SNA posts that are no longer required has increased the overall cost of the scheme. The review concludes that the scheme could achieve its objectives and the associated level of output with fewer inputs. The review shows that there has been a growing discrepancy between what the Department had intended to provide under the SNA Scheme and the expectations of parents and schools as to what the scheme should provide. It finds that SNAs were intended to cater for children with significant care needs but that practice on the ground has moved away from this original intention towards involvement in educational or therapeutic interventions.

While a study of a sample of schools by the Department's inspectorate showed a possible excess of SNA provision of up to 30%, a 2010 review of all schools by the National Council for Special Education (NCSE) did not identify such levels of excess.

A combination of parental concern and professional and school advocacy creates significant pressures for SNA allocations. Some schools indicate that they will not enrol a pupil without an SNA. [-Text redacted-].

The placing of a cap on SNA numbers at 10,575 will require the NCSE to prioritise allocations to the most needy.

IDENTIFICATION OF SAVINGS OPTIONS

A cap of 10,575 posts has been placed on the number of Whole Time Equivalent SNA posts in schools. To further reduce payroll costs associated with the scheme, this capped number could be reduced.

Reducing the number of posts would incur redundancy costs. The average redundancy cost of an SNA in 2010 was €6,300.

A 10% reduction in the number of SNA posts, which is a reduction of 1,058 posts, with a revised cap of 9,517 posts, would save approximately €34m per year (less €6.6m initial redundancy costs).

The consequences of reducing levels of SNA support generally could be that some children with special educational needs would not be able to attend school and many would not be able to attend mainstream schools. It could mean a reversal of the policy of integration of children with special needs into ordinary mainstream schools and would negate significant State progress in developing an inclusive approach to education.

[-Text redacted-].

2.3 NATIONAL COUNCIL FOR SPECIAL EDUCATION

PROGRAMME EXPENDITURE

€9.015 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME

(Excludes Department staff who are included under Programme 10)

107

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The National Council for Special Education is responsible through its locally based Special Educational Needs Organisers (SENOs) for the allocation of teacher and SNA resources to schools to provide for the education of children with special educational needs. The Council also provides for the establishment of special classes as required.

The Council must operate within policy parameters set by the Minister. It is considered essential to have locally based organisers to assess requests for resources. It is also important to have an independent body to allocate resources albeit within defined parameters.

Prior to the establishment of the NCSE the resource allocation process was chaotic, with significant delays and with no capacity to assess local circumstances or properly interrogate the veracity of claims. The objective is still valid as applications for resources are a permanent feature of the education system.

With the introduction of the Employment Control Framework the need for locally based organisers who can assist in informing prioritisation of allocation of resources is even greater.

The Council also has advisory and research functions

PROGRAMME EFFECTIVENESS & EFFICIENCY

An effective Council is essential to the management of the allocation of teacher and SNA resources, In the context of over 20,000 personnel (teachers and SNAs) dedicated to special needs it would be important to maintain a Council with sufficient SENOs – 80 when at full strength (which is never the case because of various leave arrangements etc.) to effectively manage allocations in an ECF context.

A review of special needs assistants by the Council identified an excess of 434 SNA posts which were suppressed.

IDENTIFICATION OF SAVINGS OPTIONS

The rate of retirement/resignation of SENOs has been about 2 per year. In the absence of any other mechanism it would not be possible to reduce by more than that. Any significant staff savings would hinder the Council in its resource allocation control role.

2.4 SPECIAL EDUCATION – MISCELLANEOUS SUB PROGRAMMES

1. National Braille Production Centre: €1.28m

Objective: The objective is to fund the Centre to provide blind/visually impaired pupils at first and second level with textbooks in Braille, Large Print and Audio Format. The objective is still valid as these pupils require textbooks in these formats.

Efficiency: This is the only supplier available in Ireland and no capacity has been identified in overseas suppliers.

Savings Options: The amount of the allocation has been frozen in spite of increasing demand and given the need for these materials a saving is not proposed

2. July Provision: €10.6m,

Objective: This scheme funds an extended school year or a home tuition programme for children who have been assessed as having a severe and profound learning disability or autism. Four weeks additional tuition are provided in July in either a school based programme or at home. The decision to extend the school year for children who have severe and profound general learning disability was taken in 1997 after a court judgement (O'Donoghue judgement) based on a recommendation from the judge. In 2001 it was extended to children with autism. The rationale for the scheme is to avoid regression in learning during the summer period. A review carried out last year questioned the specific rationale.

Efficiency: The school based element of the scheme was evaluated by the Inspectorate as part of the review. It found significant variation in the standard across the 16 schools visited. It found that the overall quality of planning and preparation and quality of assessment was affected by the lack of experienced and knowledgeable staff. No evaluation has been undertaken of the home programme element of the scheme. A particular concern of the review group was the fact that only two categories of disability/special need are provided for. They calculated that extending it to all children with special needs could be €65m excluding transport costs.

Saving Options: While not part of the actual judgement, given the fact that the recommendation in relation to those with a severe and profound general learning disability derived from the recommendation of the High Court, it is proposed to retain

the provision for those pupils (cost €2.6m). [-Text redacted-]. The scheme is likely to be viewed by families as a form of respite.

3. Home Tuition Scheme (Medical and Special Needs) – €9.5m

Objective:

This scheme provides for 3 categories of children:

- i) Children with a medical condition unable to attend school - €3.9m
- ii) Children with SEN awaiting an educational placement - €0.6m
- iii) Children with autism of a pre-school age - €5m

The rationale for categories i) and ii) continues as the children are entitled to an education and as they are not able to access normal provision this scheme makes provision until they are able to do so.

The rationale for category (iii) falls to be reconsidered for two reasons. Firstly, the intention is to support over time a single early intervention structure under the Early Childhood Care and Education (ECCE) Scheme. In the case of children with disabilities supports may need to be provided by the HSE to achieve this. Secondly, as with July Provision the DES has concerns about the equity of this provision only being available to children who have autism and not children with other special educational needs, notwithstanding that the provision of early intervention home tuition to children with autism was a recommendation of the Report of the Task Force on Autism and that early intervention is recognised to be of critical importance in the current Programme for Government.

Efficiency: There has been no review of outcomes for this scheme. It is, however, highly valued by parents of children with autism

Savings Options:

Option 1: Remove home tuition from children who have autism. This would save €5m. This option is not recommended in the short term but consideration could be given to transferring this funding to the Department of Children.

Option 2: Reduce the maximum number of hours from 20 to 15. This would bring the number of hours in line with secular instruction in the infant school day in schools. This could save €1.25m.

4. Special Education – Equipment €1.3m:

Objective: This programme enables the provision of appropriate assistive technology for children with special educational needs. The rationale for the programme remains as the children need specialist equipment to enable them access education.

Efficiency: The allocation has been effectively capped at 2009 levels. The scheme will be managed by continued reductions in the cost of equipment and by insisting on the use of less complex and generic equipment.

Saving: It is not proposed to offer a saving beyond the management of the scheme within existing limits with an increasing pupil population.

5. Special Education Miscellaneous €2.8m

Apart from three small grants (€50k to €70k for activities such as Dyslexia Association of Ireland) this subhead is predominately to cover legal costs relating to special educational needs litigation taken against the Minister for Education and Skills. These are plaintiff costs and settlement costs. (The Minister's own legal costs are charged to the Vote of the Chief State Solicitor's Office). Cases are proactively managed to minimise costs but there is no other control that can be introduced by the Department. [-Text redacted-].

Programme 3. Schools – Educational Disadvantage

- 3.1 DEIS (Delivering Equality of Opportunity in Schools)
- 3.2 EAL (English as an Additional language)
- 3.3 High Support Special Care Schools

3.1 DEIS (Delivering Equality of Opportunity in Schools), Early Start, Rutland Street Project
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PROGRAMME EXPENDITURE:

€103 m

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

1,421

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The objective of the DEIS (Delivering Equality of Opportunity in Schools) programme, which was launched in 2005, is to ensure that the educational needs of children and young people from disadvantaged communities are prioritised and effectively addressed. A further rationale for undertaking the programme is that the education system should provide a broadly based, inclusive, high quality education that will enable individuals to develop to their full potential and to live fulfilled lives, as well as contributing to Ireland's social and economic development.

Some 876 schools (200 Post Primary Schools and 676 Primary Schools) are currently included in DEIS, under which additional resources are provided. These resources include:

- Reduced pupil teacher ratio (20:1 in all junior classes and 24:1 in all senior classes) in urban areas with the highest concentrations of disadvantage, known as Urban Band 1 primary schools;
- allocation of administrative principal posts on lower figures than generally apply in primary schools in urban areas;
- additional funding based on level of disadvantage;
- additional funding under schools books grant scheme;
- access to Home School Community Liaison services;
- access to numeracy/ literacy supports and measures at primary level.

- Enhanced guidance counselling provision at post primary level;
- Provision for school library and librarian supports at post primary level;
- Access to Junior Certificate Schools Programme (JCSP) and Leaving Certificate Applied (LCA) at post primary level;
- access to planning supports;
- access to a range of professional development supports;
- access to School Meals Programme (Department of Social Protection);
- access to School Completion Programme (Transferred to Department of Children and Youth Affairs).

Early Start Pre-School Project/Rutland Street Project

The Early Start Programme is a targeted Early Intervention programme for pre-school children at risk of educational disadvantage. The programme can cater for 1,650 children. It is currently the only programme nationally that is classified as ISCED (International Standard Classification in Education) Level 0. Level 0 relates to pre-primary education which it defines as being designed 'to meet the education and development needs of children aged at least 3 years.' Education-oriented pre-primary institutions are centre or school based and are obliged to recruit staff with qualifications in education.

The Rutland Street Pre-School Project began as a controlled experiment in early education for children living in disadvantaged areas of central Dublin. It is a special education programme for children aged 3-5 years and provides for 2 years of pre-school. The pre-school caters for 96 children. The Department has recently invested in a new school for the pupils. The programme also meets the ISCED Level 0 classification.

PROGRAMME EFFECTIVENESS & EFFICIENCY

Prior to 2005 significant emphasis had been placed on addressing educational inclusion issues, particularly since the late 1980s. The approach adopted had focused primarily on identifying schools serving disadvantaged communities and targeting additional supports to such schools under a range of measures. The DEIS Action Plan provides for a more integrated and focused approach, supported by a much increased emphasis on target-setting and measurement of progress and outcomes. Research and evaluation are essential tools underpinning DEIS.

School Completion Programme and Home School Community Liaison are major components of DEIS and are now integrated under the National Education Welfare Board, responsibility for which has transferred to the Department of Children and Youth Affairs. As HSCL coordinators are teachers on the staff of schools, the allocation of such posts will remain the responsibility of this Department.

The initial findings of the Evaluation of DEIS by the Education Research Centre show that:

- When comparing the overall average reading score in 2007 with its equivalent in 2010 urban schools revealed an overall improvement in average reading and maths achievement;
- The improvements are statistically significant at all grade levels in both English reading and maths;

- Improvements are greatest at lower grade levels, with the largest gain among 2nd class pupils;
- Progress appears most marked among pupils with lower levels of achievement;
- Positive change in achievement is most evident among junior grades.

The findings of the Inspectorate's evaluation on the effectiveness of planning and target setting in 18 primary and 18 post primary DEIS schools indicate that:

- A systematic planning process comprising target-setting, the implementation of appropriate strategies and interventions to achieve the targets set, the monitoring of progress and the review of targets in DEIS schools is necessary;
- The report recommends that the DEIS planning framework be made available to all schools to assist them in their school development planning and school self-evaluation processes.

With regard to collaborative working of HSCL and SCP, the report indicates:

- Positive engagement with education on the part of parents indicated positive levels of satisfaction in relation to the extent of their involvement in their children's education;
- The promotion of attendance;
- The development of effective transfer programmes with the majority of schools reporting 100% progression from primary to post primary;
- Strategies and interventions to facilitate and maintain optimal progression of pupils were found to be effective in almost all cases.

Retention Rates in Post Primary Schools

The latest Report on Retention Rates in Post Primary Schools presents the retention rates of pupils who entered the first year of the junior cycle in the years from 1991 to 2004 and completed second level schooling no later than 2010. The report shows that:

- The percentage of students who sit the Leaving Cert overall has risen by more than 6% to 87.7% in 8 years;
- The average unadjusted Leaving Certificate retention rate in DEIS schools increased by 5 percentage points from 68.2% to 73.2% for students who entered second level in 2001 to 2004, while the (unadjusted) retention rate in non-DEIS schools increased from 85.0% to 87.4% for the same entry cohorts.

Additional resources in DEIS schools do appear to be delivering results. The challenge is to ensure, by evaluation and review, that improved outcomes are delivered. Since 2008, the HSCL service has experienced a decrease of 135 HSCL/Rural coordinator posts which represents a 25% overall decrease in allocation.

Early Start

The Early Start programme has been evaluated on a number of occasions between 1998 and 2006. However, no longitudinal studies have taken place and there is no evidence as to whether children who have attended an Early Start unit fared better than their peers who did not participate in the Early Start programme. In view of the introduction of universal pre-school provision it is proposed to terminate the Early

Start Programme, with participants in the programme transferring over to the universal scheme.

Rutland Street

The operation of the project is the subject of periodic reviews, which to date have indicated a positive contribution to the needs of children from the area.

IDENTIFICATION OF SAVINGS OPTIONS

Given the importance of achieving improved educational outcomes in disadvantaged schools it is considered it would not be a priority to reduce allocations in DEIS schools that are consistent with the DEIS programme. There are supports in some schools (both DEIS and non-DEIS) from earlier legacy programmes/schemes that exceed what equivalent schools are entitled to under DEIS or to which non-DEIS schools are not entitled. While recognising that these resources may be usefully used by schools to deal with disadvantage it is difficult to justify on any objective and equality grounds retaining resources in a school just because it had them under a historic scheme that is now terminated, when an equivalent school in similar circumstances does not. These resources are related to teaching posts and are very significant, representing 428 or a little under one-third of the posts allocated for disadvantage. The broad categories, rules and costs are set out below.

		Teaching Posts	€
1	Reduced PTRs from 15 non DEIS schools (these posts mean that 15 schools who do not qualify under DEIS criteria are getting more favourable ratios than other non-DEIS schools)	38	€2,280,000
2	Support Teacher Project (45 DEIS & 3 Non DEIS schools – these are Teachers assigned to schools to assist in Supporting pupils with disruptive behaviour)	43	€2,580,000
3	Reduced PTRs of 15:1 retained from earlier Breaking the Cycle Scheme in 32 DEIS Schools. (This compares with a ratio of 20:1 in other DEIS schools).	45	€2,700,000
4	Disadvantaged Concessionary Posts (136 post primary & 64 primary DEIS Schools) These posts were retained from the earlier Disadvantaged Areas Scheme when DEIS was introduced.	200	€12,000,000
5	Concessionary posts retained in 52 Band 2 DEIS schools from earlier Giving Children an I Break. This gave an entitlement of 20:1 in junior classes and 27:1 in senior classes.	102	€6,120,000
	TOTALS	428	€25,680,000

It should be noted that it has already been decided to use 20 of these posts to resource the National Literacy and Numeracy Strategy [-Text redacted-].

Given the strong evidence for the educational and long-term social benefits of targeting resources at disadvantaged schools to improve educational outcomes and the initial results of the DEIS evaluation, there is a strong case for refocusing the resources assigned to disadvantage on DEIS schools. While research on this subject is complex evidence shows that younger children and disadvantaged children benefit most from reduced class sizes. 52 DEIS Band 2 schools already have favourable ratios under earlier schemes. It is proposed that improved ratios would be provided for all 145 DEIS Band 2 schools by withdrawing legacy posts. This would involve redeploying roughly 50% of the posts (206) and yielding up the balance as a savings option. It should be noted that given individual school losses this will need to be phased in. Any adjustment to the general pupil-teacher ratio will also have an impact on DEIS schools and any proposals may need to be reconsidered in that context.

The termination of the Early Start programme would yield full-year savings of €5.6m on the Education Vote. The programme would require to be phased out to ensure that places are available under the universal early childhood scheme for all participants of Early Start. The transfer of programme participants to the universal scheme would have implications for the Health and Children Vote.

3.2 EAL (ENGLISH AS AN ADDITIONAL LANGUAGE) TEACHERS IN PRIMARY AND P/PRIMARY SECTOR

PROGRAMME EXPENDITURE:

€73m

PUBLIC SERVICE NUMBERS FOR PROGRAMME: 1,450
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<i>(Excludes Department staff who are included under Programme 10)</i>
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1,450

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The programme objectives were developed as part of the VFM review of EAL provision in primary and post primary schools which was approved this year. They are summarised below.

Programme Objectives

- To provide an inclusive school environment to meet the needs of students for whom English is a second language (an inclusive school environment is one which reflects, values and affirms linguistic, ethnic and cultural diversity);
- To provide additional language support teachers for students;
- To develop a defined whole-school policy, procedures and systematic approach to
 - identify and assess pupils requiring additional language support,
 - devise and deliver programmes and monitor students' progress.

Rationale/continued relevance:

In the current economic climate, the rate of inward migration has slowed. However, data from the post-primary pupil database show that numbers of migrant students studying at this level have continued to grow. Migrant students make up approximately 10% of our student population at primary and post-primary. In the longer term, it makes sense to have a coherent, targeted programme of intervention to assist migrant children who need to acquire English (or Irish) language skills. Research shows that, if these students master the necessary language skills (both communicative and in particular academic), they can perform very well. Data from the PISA 2009 survey show that migrant students' performance vis-à-vis their native peers has disimproved since 2000.

PROGRAMME EFFECTIVENESS & EFFICIENCY

It would appear that the language support which EAL students are receiving is helping them to access the academic curriculum. However, there is, in some cases, considerable progress to be made before some EAL students can access the curriculum on the same basis as their native peers. Schools need to support EAL students in gaining academic language proficiency. Before any definitive conclusion could be drawn, more data linking outcomes to inputs need to be collected and analysed.

The latest round of PISA, relating to 2009, shows that migrants are performing significantly less well than their native peers. An evaluation by the Department's Inspectorate and the research carried out in 2009 by the OECD and the ESRI indicate that teacher qualifications in the field of EAL and teaching methodologies should be improved.

At post-primary, because of the specialisms and the specialist teachers, there is very little interaction between EAL teachers and specialist teachers. In fact, many specialist teachers do not see language as part of their remit. To provide EAL students with a quality, inclusive and relevant education at post-primary level all teachers must be provided with the Continuing Professional Development to realise that they are not only teachers of mathematics, English or music etc. but that they are also "language in subject" teachers. Such an approach would also heighten their awareness of literacy issues that other native English speaking students may be encountering.

IDENTIFICATION OF SAVINGS OPTIONS

Already it is proposed to significantly cut EAL teacher numbers from 1,405 (2010/2011) to 1,150 in 2011/2012 – a cut of 255 EAL teachers. It was proposed in the National Recovery Plan 2011 to 2014 to cut the EAL numbers by 500 over 4 years but the cut has been accelerated for the first year.

There has been no additional CPD provision for teachers, principals, whole school staffs etc. In a context where the performance of migrant students is significantly lower than their native peers, there would be potential adverse educational outcomes and economic and social costs in the long term from further reductions. Migrant students constitute 12% and 10% of the primary and post-primary student cohort respectively in Irish schools. There is no evidence that numbers are reducing although the numbers of new migrants in the system is falling. In addition, children of migrant parents, born in Ireland may not speak English on starting school. Comprehensive CPD for whole school staffs, for which resources are not currently available, would go some way towards mitigating the cuts already implemented and facilitate a reduction in teacher numbers in the long term, but it is hard to see any scope for further reductions in the short to medium term.

3.3 HIGH SUPPORT SPECIAL CARE SCHOOLS

PROGRAMME EXPENDITURE:

€5.7 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

Teachers and SNAs in HSSU Detention Centres and YEPs who are on payroll are included in Public Service numbers submitted by the VECs and the DES.

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

High Support Special Care Units

High Support Special Care Units provide residential care for children legally termed “out of control”. This term refers to children who are at risk and in need of care and protection and who require the provision and delivery of an education service in a secure and therapeutic environment. In 1995 as part of an agreement between the Department of Education and Science and Health and Children it was agreed that the Health Authorities would take responsibility for this category of child. The Department of Education and Skills has responsibility to provide education services for these young people, and to ensure that it is adequate and meets their needs and does so in the High Support Special Schools which are an integral part of the High Support and Special Care Units. The schools come under the aegis of the Health Service Executive which acts as patron, have primary school roll numbers and the teachers are members of INTO. The Special Care Units accommodate children who are the subject of special care orders granted by the court. These orders allow the HSE restrict the young peoples’ liberty for their own safety and welfare. Such orders are only granted by the courts where there is a substantial risk to the child’s health, safety, development or welfare. . The Special Care Units provide a more secure form of residential accommodation than that provided by High Support Units.

The Department funds the salaries of 16 teachers in the units. The schools receive enhanced capitation similar to the special primary schools and all other miscellaneous grants. This is basic education and it would not be possible not to provide.

Youth Encounter Projects (YEP)

YEPs provide non residential educational facilities for children who have either become involved in minor delinquency, or are at risk of becoming involved. A pupil may be referred to one of these schools by a number of agencies or by the court system. They are recognised as special national schools. The Department fund salaries of 16 teachers and 11 special needs assistants and operating costs, both non-teaching pay and non-pay.

Line Projects

The Department provides funding for teachers to 2 projects and VEC provides funding for running costs. These projects were established to bring together the community, parents, State agencies (schools, HSE, FÁS, etc) and the relevant Government Departments (Education and Science, Health and Children, and Enterprise, Trade and Employment) in order to respond to the needs of young people who have dropped out of mainstream education due to disruptive behaviour, lack of interest or habitual non-attendance. Students may be referred from a number of different agencies, e.g. Educational Welfare Officer, mainstream schools, youth services, Juvenile Liaison Officers, parents. These projects cater for young people who are involved in minor delinquency, or at risk of becoming involved.

PROGRAMME EFFECTIVENESS & EFFICIENCY

High Support and Special Care Schools originated from High Court judgements to address the needs of children at risk and provide a service to children in the care of the HSE.

YEPs

- 1 Provide personalised holistic education for young people at risk;
 1. Retain those young people in the education system; and
 2. Provide support for these young people towards progression

A Value for Money Report carried out on YEPs in 2007 gave a positive report. Line Projects aim to address the needs of children at risk also.

Programme 4. SCHOOL TRANSPORT

PROGRAMME EXPENDITURE:

€180 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

There are 1,300 bus escorts employed by schools which are not counted in public service numbers, in addition to Bus Éireann staff.

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The School Transport Scheme, established in 1968, was subject to a Value for Money Review (published March 2011). This review informed a series of budgetary decisions in December 2010 which, under the National Recovery Plan, requires estimated savings of €4.5m in 2011 rising to a total savings target of €17million by 2014 (proposed allocation of €166.8m). The Programme for Government makes no specific reference to school transport.

The objective of the scheme is, having regard to available resources, to support the transport to and from school of:

- Children who reside remote i.e. 3.2 kilometres at primary or 4.8 kilometres at post primary or more from their nearest school;
- Children with special educational needs arising from a diagnosed disability.

School transport provision on a fairly similar basis to the Irish model is operated in a number of other jurisdictions.

The VFM report recommended that the organisation on behalf of the State of a school transport scheme should continue. This, and two other options had been explored, viz. (i) the provision of grants directly to families in particular circumstances to support them in seeking to arrange school transport themselves and (ii) support for transport operators in applying to an agent of the State to provide transport for groups of children, subject to certain eligibility criteria.

[-Text redacted-]. This mechanism must be reasonably effective to enable those who depend on the State to obtain reasonable access to school. Reasonable notice of changes would be needed, objectively justified, by the overwhelming need to find savings in public expenditure. *[-Text redacted-]*. The grant scheme option is, therefore, identified below as one of a number of savings options.

PROGRAMME EFFECTIVENESS AND EFFICIENCY

The efficiency and effectiveness of the scheme was analysed in the context of the VFM review. This analysis is summarised below. The most significant recommendations are currently being implemented following the previous Government's decisions of December 2010.

- Expenditure on school transport has risen by 249% in the period 1997-2008 while the number of children transported on an annual basis decreased from 157,000 to 135,000 (123,000 in 2010/2011). This represents an overall unit cost per child transported of €1,438 in 2008 and increases of 306% since 1997 (by comparison the cost to transport a child with special educational needs with an escort is €9,087). By comparison, the average school transport unit cost in Northern Ireland is €1,015 while in the UK unit costs range from €1053 to €1257.
- The four main recurrent cost drivers behind the school transport scheme arose from enhanced safety requirements introduced in 2006 (including the one seat for one child policy), enhanced support for children with special educational needs (which in 2008 accounted for 34% of the overall allocation), increased availability and take up of school choice and a relaxation of elements of the criteria in 2002.
- The 1967 primary and post primary scheme allowed for choice on religious grounds and this allowed transport for Catholic or Protestant children to attend the nearest school of their respective denomination. Transport was also provided to the nearest Irish language schools; this particularly applied in the Gaeltacht at the time and has now been extended given the number of Gaelscoileanna at primary level and to a lesser extent of Gaelcholaistí at post primary level. The scheme was further extended to multi-denominational schools at primary level when these were introduced.
- Distance is an effective criterion for assessing eligibility; the current prescribed distances of 3.2 kms (primary) and 4.8 kms (post primary) are in line with international practice. There is no maximum distance that certain categories of children with special educational needs will be transported, irrespective of the cost of arranging transport.

The following provides a summary of the budgetary measures currently being implemented or in prospect in 2012:

- Distance under the Primary school Transport Scheme is being applied equitably nationally (3.2kms);
- Charge of €50 for eligible primary children, maximum primary eligible family payment of €110, maximum overall family payment remains at €650, children holding medical cards exempted;
- The minimum numbers of children needed to establish or retain services have been increased from 7 to 10 (back to 2002 levels);
- Eligibility based on the closed school rule ceasing for all new children entering; existing cohort who meet the distance eligibility retain eligibility to current school of attendance (2012);
- Catchment Boundary system to cease for all new children entering post primary and eligibility will be based on attendance to nearest centre/school, once distance criterion met, having regard to language and ethos (2012);

- Bus Éireann to have full responsibility for the operation of the scheme including grants; increasing proportion of routes to be delivered by private operators; synergies to be developed between school transport, Rural Transport Programme and the HSE.

Summary of costs 1997-2011 (€m)

Year	1997	2000	2001	2002	2003	2004	
Prov.		60,487	69,950	82,220	97,750	110,471	
Outturn	49,571	65,082	77,058	95,986	101,733	109,846	
Year	2005	2006	2007	2008	2009	2010	2011
Prov.	116,533	152,000	165,000	175,206	192,000	186,000	179,974
Outturn	122,157	159,685	172,106	185,725	177,567	181,409	-

Thus the cost to the State of the school transport scheme has increased by 266% in the 1997-2010 period.

IDENTIFICATION OF SAVINGS OPTIONS

Following the recent Value for Money Review and Government Decisions, work is ongoing on securing savings of €17m in the costs of the scheme by 2014. Basically this represents more or less what is achievable by way of savings if the current nature of the scheme remains broadly unchanged. Put another way, it is very difficult to see scope for significant further savings other than through a radical change in the nature of school transport provision. In this context four possible scenarios could be considered. [-Text redacted-].

[-Text redacted-].

SCENARIO 2

Abolition of school transport scheme in its entirety and replacement with a grant aided scheme.

The gross savings of €180m would require to be discounted by the following factors

- The cost of a scheme of grants. On the assumption that grants were linked to the dual qualification requirement of medical card recipient and minimum distance from school then 33% of the present eligible cohort of families would be eligible for grants. The quantum of the grant if pitched at some 50% of the existing per capita cost of the scheme (€500 for mainstream and €3,500 for children with SEN) would cost an estimated €42.1million.
- It would be necessary to provide for an administrative/operational infrastructure for the grant administration.
- It would be necessary to allow for the disengagement costs of Bus Éireann estimated, as set out above, at some €55m in addition to providing for the redundancy costs of approx. 1,300 school bus escorts of the order of €18.5 million.

Given the significant nature of the change involved here, it would be vital to provide an adequate period of advance notice to users. There is a significant risk in such an option that savings would be offset immediately or over time by pressure for more students to get grants, or for the grant to be increased (where parents didn't feel the grant was sufficient to cover costs). The option of grants/vouchers and getting the market to provide was examined as part of the VFM and was not considered as effective as this option.

SCENARIO 3

Abolition of post primary school transport scheme with retention of primary and special needs scheme.

The gross savings attaching to this would be some €56m. As against this a reduction of some €30m would have to be factored in to provide for the costs of partial disengagement which would arise for Bus Éireann.

Again adequate advance notice to users is essential.

SCENARIO 4

Abolition of the post primary transport scheme and its replacement by a grant aided scheme: Retention of the existing Primary and Special Needs schemes.

The initial savings of €56m less the disengagement costs of Bus Éireann would require to be further reduced by the cost of putting a grant scheme in place and the administrative costs associated with such a scheme. It is estimated that if grants per family were to be applied at 50% of the current per capita cost of the scheme of post primary this would give rise to an annual cost of some €9.1 million.

This is on the assumption that grants would be provided only on the basis of medical card and meeting the distance criteria. Again adequate advance notice to users is essential.

Programme 5. Teacher Education, Curriculum, State Exams and ICT in Schools

PROGRAMME EXPENDITURE:

€141 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

479

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The objectives of these programmes are to contribute to the quality of the educational product in Ireland. The biggest determinant of quality education is the quality of the teachers in the system. The second determinant relates to the strength of the curriculum that is taught. Essential reforms in both teacher education and curriculum need to be delivered in the long term. Further, the newly amalgamated quality authority introduces a quality regime and accreditation process for further and higher education in Ireland. New reforms in this programme area will require some €19m by 2017 and this will need to be found within the Department's current allocation.

PROGRAMME EFFECTIVENESS & EFFICIENCY

Teacher Education - Recent developments have seen the rationalisation of the support services, with a view to establishing a coherent point of reference for in-service needs. This presented considerable challenges for the delivery of Continuing Professional Development (CPD) nationally. However, it has resulted in a reduction in the number of personnel on secondment to provide CPD from 382 in 2007 to 170 currently. This has in turn resulted in a reduction in expenditure from €44.2m in 2007 to €25.2m in 2011. Expenditure on CPD in 2011 is the equivalent of 0.7% of the total teacher pay-bill. Support for the implementation of the Literacy/Numeracy Strategy and Junior Certificate Reform will be prioritised within the allocation for this programme.

In the colleges area, two of the larger colleges are to undergo major restructuring in order to meet the standards required by the regulator (the Teaching Council) and the requirements of the Literacy/Numeracy strategy, while the smaller ones have a product which is somewhat closer to requirements. [-Text redacted-].

ICT in Schools Programmes - A Value for Money Review of the **ICT in Schools Support Programme** was laid before the Oireachtas in October 2008. The only recommendation with significant financial implications was implemented in 2008, with the withdrawal of the ICT Advisory Service, and resulted in a recurrent annual saving of €1.4m. A *Schools Broadband Programme Evaluation Report* found the Broadband Service has had a positive impact on schools and has facilitated the introduction of ICT-based delivery of education to pupils. The key source of dissatisfaction was inadequate bandwidth. Fiscal constraints and market conditions have prevented the Department from improving bandwidth provision sufficiently to meet the needs of the schools.

State Examinations Commission – (153 WTE staff). This is a demand led service. Apart from demographics cost pressures also arise from increased numbers of students with special needs/special requirements needing to be accommodated in special centres. The inclusion of second assessment components also gives rise to increased costs. The SEC has reduced its costs substantially in recent years, from an outturn of €62.05m in 2008 to a budget of €54.31m in 2011 – a reduction of €7.74m or 12%.

Quality Authority - The Programme for Government re-stated the intention to merge the NQAI, HETAC and FETAC. The new amalgamated body will also take responsibility for the external quality assurance of universities, which is currently carried out by Irish Universities Quality Board (IUQB) and the Employment Control Framework reflects this. The Qualifications and Quality Assurance (Education and Training) Bill was published on 26 July and will be introduced in the Seanad in the autumn session. The bodies have already delivered very significant savings since the announcement of the amalgamation in October 2008; the bodies' exchequer allocation for current expenditure in 2011 is approximately 30% lower than outturn in 2008. The amalgamation will deliver further savings of circa €1m.

IDENTIFICATION OF SAVINGS OPTIONS

Reductions in this area are generally not feasible without compromising the delivery of ongoing reform measures. Indeed reductions to date and the need to prioritise reform measures will require service reductions elsewhere. Reducing numbers entering initial teacher education would give some savings;

- no postgraduate conversion course : €1.1m
- reduce undergraduate intake by 100: €0.75m

There is a risk of non-viability of smaller colleges who have the highest quality courses if these measures are pursued.

In relation to initial teacher education there is potential, in the context of the Higher Education Strategy & Teacher Education reforms, to streamline the provision and rationalise the use of resources across courses and providers. Savings could also be secured on Continuing Professional Development by curtailing supports offered. However, given the additional requirements under the new Literacy & Numeracy Strategy, any savings arising will be used to meet the extra costs of extending and reforming teacher education as part of the new strategy.

A savings yield of €0.76m would be obtained by abolishing the grants paid to Summer Gaeltacht Colleges in respect of student teachers' attendance. Satisfactory attendance at an Irish language course in the Gaeltacht is a compulsory element of the two Primary Initial Teacher Education (ITE) courses. The Department pays a grant of €637 per student directly to the Gaeltacht summer colleges which provide the 3 week course. Abolition would mean that students themselves would be liable for this cost, while the colleges are likely to resist on grounds of additional administrative burden. However, students from the private ITE provider already bear this cost.

A 20% cut applied to the amalgamated Qualifications bodies could be made up by increasing its current fees by 70%, while a 10% cut applied, yielding savings of €0.8m, would require a 35% increase in fees. Without this countermeasure, the body would be required to drop support for Qualifax, the learner information database, internationalisation and a degree of core work related to the external monitoring of quality of awards in both the FE and HE sectors

ICT in Schools Policy - Resources currently allocated to the programme are at the minimum necessary for maintaining existing services. It is acknowledged by the Department for the McCarthy report that there were "*very limited opportunities for rationalisation of the Programme, apart from the non-provision of grant aid to schools to develop their ICT infrastructure*". Annual funding increasing to €13m will be required by 2016 to deal with the costs of providing 100MB broadband to all second level schools, with costs of €1.9m per annum to be incurred in respect of the current pilot project. This Department has already pledged to support the broadband project going forward.

Programme 6. Skills, Training, Further Education, Adult Education

PROGRAMME EXPENDITURE:

Further Education		
Full-Time Programmes:	€	Learners
Post Leaving Certificate (PLC)	€186m	39,800
Vocational Training Opportunities Scheme (VTOS)	€80m	5,993
Youthreach	€67m	3,692
Senior Traveller Training Centres (STTCs)	<u>€21m</u>	<u>684</u>
	€354m	50,169
Part-Time Programmes:		
Back to Education Initiative (BTEI)	€17m	31,000
Adult Literacy, incl. AONTAS, NALA	€35m	52,000
Community Education Scheme	<u>€10m</u>	<u>52,000</u>
	€62m	135,000
Supports and Grants:		
Adult Education Guidance Initiative (AEGI)	€6.9m	
Miscellaneous grants	€6.1m	
Total	€422.9m	

Breakdown of Expenditure

Full time programmes

€354m, comprising:

€197m (Staff costs)

€71m on participant allowances

€26m on capitation

€50m on Student Support (Higher Ed, Equity of Access)

€10m on other non-pay costs (LDAs, supplementary rents)

Part-time programmes: €62m annual non-pay grants to cover pay and non-pay costs

Supports and Grants: €13m annual grants to cover pay and non-pay costs

Training	
FAS budget 2011 (€472m plus Jobs Initiative funding €3.5m)	€475.5m
Labour Market Activation Fund	€15.0m
Skillnets	€14.5m
EGF match funding (NTF €3m Exchequer €1m)	€4.0m
Total	€509.0m

PUBLIC SERVICE NUMBERS FOR PROGRAMME:
(Excludes Department staff who are included under Programme 10)

Further Education

Approximately 3,450 WTEs employed by VECs and 140 WTEs in schools (includes 3,000 WTE teachers, 400 Youthreach Co-ordinators/Resource Persons and 130 administration staff)

Note: In addition to public sector numbers above there are an estimated 800 WTEs employed by VECs in the part-time programmes funded from non-pay grants

Training

1,200

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

Further Education and Training

Overall Objectives

The overall objectives of Further Education and Training programmes are to provide those who have not reached NFQ (National Framework of Qualifications) Level 6 with the training and education to progress to employment or further or higher education.

The Further Education programmes are mainly delivered by Vocational Education Committees (VECs) and the Training programmes are provided through FAS-delivered training programmes, training contracted out to voluntary or private providers and Skillnets.

Further Education and Training programmes are highly relevant in the context of:

(i) The immediate objective to upskill the Unemployed as part of the Activation agenda and the projected provision of an additional 30,000 training and education places included in the Programme for Government, of which the recent Jobs Initiative announced 15,900 places.

Current Further Education and Training provision for the Unemployed after the Jobs Initiative includes:

- 172,000 Further Education places which the unemployed may access;
- 114,500 Training places, provided by FAS, Skillnets and the Labour Market Activation Fund.

(ii) The National Skills Strategy objectives which set out the key strategic aspirations in this area, which include moving 250,000 people from NFQ Level 3 (Junior Cert equivalent to Level 5 (Leaving Cert equivalent). Further Education and Training programmes will be key to the meeting of these objectives.

Major structural reform has commenced to establish a new, integrated and responsive system for further education and training which will be addressed by SOLAS, the new further education and training authority.

PROGRAMME – SPECIFIC OBJECTIVES AND RELEVANCE

Further Education

PLC

Objectives: to enable school leavers and adult returners (including the unemployed) to avail of full-time opportunities to gain major awards at mainly NFQ Level 5 (but also Level 6) to progress to higher education and to enhance employability for entry or re-entry to the labour market.

Relevance: the National Skills Strategy implementation update (March 2010) identified the upskilling of those at Levels 1-3 to Levels 4 and 5 as a “significant challenge” so PLC is an important mechanism to enable upskilling at those levels. The allocation of an additional 1,000 PLC places allocated under the Jobs Initiative will help meet this objective. The increase in unemployment has meant higher demand for PLC places from learners who would otherwise be in employment.

VTOS

Objectives: to enable the unemployed, in particular the long-term, low-skilled unemployed avail of full-time opportunities to gain major awards at NFQ Levels 3-5 (mostly at Levels 3-4) to enable progression to further education and training or higher education or employment.

Relevance: with the increase in unemployment and in particular, the increase in the numbers and proportion of long-term unemployed, and higher rates of unemployment amongst those with lower skills, VTOS is highly relevant in upskilling this cohort. The raising of significant numbers at NFQ Level 3 to Level 5 is a key element of the National Skills Strategy objectives.

Youthreach

Objective: to provide early school leavers between 15 and 20 years of age with opportunities to gain major awards at NFQ Levels 3-5 to enable progression to further education and training or higher education or employment.

Relevance: rates of unemployment for young people in general, and young early school leavers in particular, have increased sharply and are significantly higher than the overall rates so upskilling opportunities for early school leavers are particularly relevant.

STTCs

Objective: to provide adult Travellers with upskilling opportunities at Levels 3-5 to enable progression to further education and training or higher education or employment.

Relevance: Budget 2011 provided for the phasing out of segregated provision for Travellers with replacement places to be made available under the BTEI.

BTEI

Objective: to provide adults, including the unemployed and in particular, those with less than upper second level education, opportunities to acquire minor awards (modules) at NFQ Levels 1-4, especially in areas of core skills and key competences, in order to enable progression to further education and training or employment.

Relevance: The National Skills Strategy implementation update (March 2010) identified the upskilling of those at Levels 1-3 to Levels 4 and 5 as a “significant challenge” so BTEI is an important vehicle to enable upskilling at these levels. The additional 3,000 BTEI places allocated under the Jobs Initiative will help to meet this objective.

In addition, demand for BTEI has increased due to the increase in unemployment and with the percentage of unemployed participants rising to 34% in 2010 from 24% in 2008.

Adult Literacy and Community Education Scheme (ALCES)

Objective: this scheme aims to provide education at NFQ Levels 1-4 in core and basic competences to the disadvantaged and those most distant from the labour market. It aims to facilitate progression to further education and training.

The Department also funds AONTAS (€1m) and NALA (€1.8m) as independent, membership based charities acting for adult learners, contributing to policy development and lobbying Government in relation to further education and training issues.

Relevance: the last major adult literacy survey in Ireland (IALS, 1997) showed that 25% of adults were less than functionally literate. Other research highlights issues of literacy and numeracy for adults as a significant barrier to progression in education and employment while community education serves to strengthen the social fabric and promotes social inclusion. Upskilling those at NFQ Levels 1-3 is a key component of the National Skills Strategy in the context of increased need due to the rise in unemployment. In 2010, 36% of participants in these programmes were unemployed and another 31% were not in the labour market. 70% had less than upper second level education and 65% had literacy levels equivalent to NFQ Level 2.

Guidance

Objective: to provide participants in a range of FE programmes with a quality assured guidance provision before, during and after participation, which enhances increases persistence and progression rates.

Relevance: Research shows that the AEGI is adding value to VEC/WIT programmes and delivery systems. Guidance is consistently highlighted as a fundamental part of education and training provision. It has become an important part of the process of addressing the National Skills Strategy objectives and of meeting the needs of a significantly increased number of unemployed.

Training

1. Unemployed

FAS Specific Skills & other Training for the Unemployed	€106.8m; 93,000 participants
FAS Local Training Initiatives	€37.7m; 6,500 participants
FAS Bridging Foundation Training	€13.6m; 5,000
Labour Market Activation Fund	€15m; 11,500 participants
Skillnets Training for the Unemployed	€1.4m; 7,500 participants

Objectives The objectives of these measures are to upskill and reskill the unemployed with accredited training qualifications so that they progress to employment, or in some cases further education and training.

Relevance With an unemployment rate of close to 15% and over 430,000 on the Live Register the relevance of these training programmes for the unemployed is very high. The Programme for Government commits to providing an additional 30,000 training and education places for the unemployed.

2. Early School Leavers

FAS Community Training Centres - early school leaver provision	€44.1m; 4,800 participants
FAS Apprenticeships Programmes	€68.4m; 11,700 apprentices
FAS Traineeships	€33.1m; 6,700 participants

Objectives The objectives of these training programmes are to provide early school leavers with the skills to progress to employment, or in some cases to further training.

Relevance The relevance and demand for the CTC and Traineeships provision has increased due to early school leavers not being able to gain employment due to the downturn in the labour market.

The relevance of Apprenticeship training has decreased due to the downturn in the construction sector and, while it will recover somewhat, will not return to previous activity levels. New Apprentice intake has fallen from 8,300 in 2006 to 1,200 in 2010. However, since the apprenticeship training takes four years in 2011 there are still 14,800 apprentices in training, which includes 5,000 in non-construction related trades.

3. People with Disabilities

FAS Specialist Training for People with Disabilities €53.1m; 3,400 places

Objectives The objectives of the FÁS contracts with 22 Specialist Training Providers are to deliver vocational training for people with disabilities so that they are in a position to progress to further training, education or employment.

Relevance This objective remains relevant and faces more significant challenges in the context of the increased demands for training and education and the decreased employment opportunities due to the downturn in the labour market.

4. Low-skilled people in employment

Skillnets training for the lower-skilled employed
FAS Training for the Employed

€13m; 37,200 participants
€0.8m; 1,800 participants

Objectives The objective of upskilling the lower-skilled employed is to raise the skills levels of our workforce towards the levels projected in the National Skills Strategy and to meet skills gaps identified by firms.

Relevance The National Skills Strategy objectives for upskilling the workforce remain relevant. However, it must be recognised that many of the lower-skilled who were previously employed are now unemployed. As a result, spending on training lower-skilled employees has been reduced from €66.5m in 2008 (Skillnets €26m, FAS €40.5m) to €13.8 in 2011 and to some extent redeployed to training for the unemployed.

PROGRAMME EFFECTIVENESS & EFFICIENCY

Further Education

Outputs/VFM

PLC

The average cost per learner in PLC (excluding the cost of BTEA for unemployed participants but including maintenance grants) is approximately €4,800. Excluding maintenance grants the cost is approximately €4,000. Enrolments at 38,600 are 22% above the number of approved places; currently 31,688; 32,688 with effect from September 2011.

Outputs are good: in 2010/2011, 80% of PLC learners completed, 47% gained a major award and 22% gained minor awards. 50% of PLC providers did not return adequate progression data but for those that did, 60% progressed to further or higher education, 23% to employment and 17% to unemployment.

VTOS

The average cost per learner in VTOS (excluding participant allowances) is €5,500; including allowances, that cost is €13,500.

In 2010, 15% left early, 30% were continuing and 55% completed. Of those who completed, 59% progressed to further education or training or higher education or employment. Overall in 2010, 80% gained certification.

Youthreach

The average cost of a Youthreach place (excluding participant allowances) is €13,000; including allowances, that cost is €18,500.

In 2010, 22% left early, 27% completed and 51% were continuing. Of those who completed, 67% progressed to further education or training or higher education or employment. Overall in 2010, 71% gained certification.

The 2008 VFM of Youthreach and STTCs indicates that Youthreach is particularly effective in attracting the target cohort of learners and is successful in developing learners' soft skills in areas such as self-confidence, personal awareness, and interpersonal skills but less effective in terms of learner certification and progression.

STTCs

The phasing out of STTCs has saved €5.4 million so far since September 2009 and is projected to save a further €19.6 million on full implementation in June 2012, depending on successful redeployment of staff.

BTEI

In 2010, there were almost 28,000 participants at a total cost of €17 million: cost per participant was a low €600.

In 2010 overall, 14% left early; of those who completed only 33% progressed to employment or further/higher education or training: while this is disappointing it probably reflects the low skill levels of the participants.

Providers continue to report that demand for part-time provision greatly outstrips supply. Anecdotal evidence suggests that the unemployed prioritise part-time provision in order to access or retain employment or social welfare allowances.

Adult Literacy and Community Education

The 2010 cost of ALCES programmes was approximately €40m with over 110,000 participants: average cost per participant €360. In 2010, there were at least 500,000 hours of tuition delivered.

Data on progression is available for only 40% of the cohort. Where it is available, indications are that 50% progressed to further education and training or employment, another 50% remained at their current level.

Guidance

The number of guidance beneficiaries (face-to-face meetings, not including other contact) increased from 37,900 in 2009 to 38,400 in 2010, at the same level of funding.

Training

Outputs/VFM

General

In general it should be noted that over the past three years financial allocations to FAS and Skillnets have been on the basis of increasingly specified outputs in terms of numbers to be trained at specific National Qualification Framework levels and progression rates to further education and training or employment.

1. Unemployed

FAS Specific Skills Training was found by the Forfas Review of Labour Market Programmes published in October 2009 to be one of the most effective training programmes, with 68% of participants progressing to further education or

employment. The average direct programme cost, including allowances, per participant for 2010 was €2,936.

FAS Local Training Initiative Programmes provide training for 6,500 participants. The Forfas Review found that it was also one of the most effective training programmes, with 69% of participants progressing to further education or employment. The average direct programme cost, including allowances, per participant in 2010 was €5,800.

FAS Bridging Foundation training provides training for 5,000 participants. The Forfas Review found that it was a fairly effective training programme, with 54% of participants progressing to further education or employment. The average direct programme cost, including allowances, per participant in 2010 was €2,720.

The Department's Labour Market Activation Fund formal review will be completed by October 2011.

2. Early School Leavers

FAS Community Training Centre early school leaver provision was found by the Forfas Review to be fairly effective, with 59% of participants progressing to further education or employment. The average direct programme cost, including allowances, per participant in 2010 was €9,187.

FAS Apprenticeships were found by the Forfas Review to be effective in terms of progression to employment. The average direct programme cost per participant in 2010 was €5,867, including allowances.

FAS Traineeships were found by the Forfas Review to be very effective, with a progression to further education and employment of 81%. The average direct programme cost, including allowances, per participant in 2010 was €4,940.

3. People with Disabilities

Specialist Training for People with Disabilities was not included in the Forfas Review. However, an Indecon review in 2006 found that there was a 60% progression rate to further training and education or employment. Changes to tendering are currently being implemented which are likely to lead to savings. However, these cannot be specified at this stage. The average direct programme cost, including allowances, per participant in 2010 was €16,058.

4. Low skilled people in employment

The Forfas Review found that Skillnets training for the employed was highly rated by participant companies, with good evaluation mechanisms. Since then allocations have been reduced.

The Forfas Review found that FAS training for the employed needed to strengthen its evaluation mechanisms. Since then allocations have been reduced.

Rationalisation of programmes by SOLAS

The new further education and training authority, SOLAS will address the issue of the rationalisation of programme provision in the context of the needs of learners, including jobseekers, and businesses. This is likely to involve a reduction in the number of programmes provided across the further education and training sectors. For example the need for retaining separate Youthreach (currently VEC-run) and FAS- funded (Community Training Centre-run) programmes for Early School Leavers will be reviewed. However, this process in itself is not intended to reduce the number of learners provided with further education and training in the context of the significant needs the 450,000 people on the Live Register in particular. In rationalising existing provision, SOLAS will ensure that programmes are more flexible and responsive to jobseekers and enterprise needs. Courses and curricula will be constantly changed to be more in line with the findings of the Expert Group on Future Skills needs. SOLAS will also forge stronger links with employer, enterprise and development agency representatives to ensure a more responsive agency.

IDENTIFICATION OF SAVINGS OPTIONS

Cross-Departmental Savings

It is proposed that responsibility for participant allowances in all Education and Training programmes should be transferred to Department of Social Protection or the National Employment and Entitlements Service. This would:

- Lead to higher productivity by enabling some providers to ‘over enrol’ as in PLC programmes
- Reduce the administrative burden on VECs and FAS and therefore yield cost savings
- Facilitate participation in fulltime training and education by those who do not currently wish to interrupt their Jobseekers Allowance payments to do so.

General comment on savings in Further Education and Training

Activities under these measures are co-financed by the European Social Fund to the extent of €211m. Any changes to programme expenditure would have to ensure that Ireland does not lose out on this funding.

Employment Control Framework

It should be noted that the cost of Further Education and Training programmes will reduce in line with the projected lower Employment Control Framework targets. For example, FAS Training Division and corporate support staff numbers are due to fall under the Employment Control Framework by 12% from 1,162 in 2011 to 1,028 in 2014 and this will lead to staff savings of at least €7.7 million. Overall FAS staff numbers fell by 19% from 2008 to 2011.

SOLAS

The establishment of the new Further Education and Training Authority - SOLAS - will also, over time, reduce costs through lower management and administration costs and the elimination of programme duplication after appropriate reviews have been completed.

Savings Options/Comment	2011	Savings €m		Additional Information
PARTICIPANT ALLOWANCES	Cost	2012	2013	
1. Apprentice off-the-job weekly allowances for existing trainees:	37.0			
(a) Cut by 55% to €100 – €226 per week Phases 2 - 6		13.2	19.8	
(b) Cut by 33.3% to €150 - €341 per week Phases 2 - 6		8.0	12.0	
(c) Cut by 16.7% to €186 - €419 per week Phases 2 - 6		4.0	6.0	
<ul style="list-style-type: none"> ○ Rates indicated are for construction sector apprentices which have already been reduced by 7.5% due to link with reduction in Employment Registered Agreements in that sector; apprentice rates in engineering, printing, motor and electrical sectors may be reduced due to link with ERAs in those sectors depending on outcome of ERA change proposals ○ Reductions shown are for existing trainees – if limited to new entrants savings would be minimal as less than 1,000 new entrants expected in 2012 and new entrants savings would take 4 years to be fully realised ○ If off-the-job rates are reduced to a level significantly below on-the-job rates apprentices may not engage with off-the-job training for personal income reasons and would therefore not fully qualify ○ Current Jobseekers allowance rates are: €100 pw for 18-21yrs, €144 for 22-24yrs and €188 for 25+yrs 				
2. FAS Training allowance (€188pw) paid to trainees also receiving Invalidity Pension, Disability Benefit:	1.9			
(a) Abolish for All Trainees from 1 January		1.9	1.9	
(b) Abolish for New Entrants		0.9	1.9	
<ul style="list-style-type: none"> ○ 196 people currently involved; ○ 50% reduction would save 50% less pro rata; 				
3. Allowances paid to 16-17 yr olds (€76.65,€95.75 pw)	5.5 4.5 <u>1.0</u>			Youthreach costs CTC costs FAS Training
(a) Abolish for All Participants from 1 January	11.0	11.0	11.0	
(b) Abolish for New Entrants:				
VEC Youthreach Centres		0.9	4.6	1,700 16-17 yrs in YR centres
Community Training Centres (CTCs)		1.5	4.5	1,160 16-17 yrs in CTCs
FAS		<u>0.8</u>	<u>1.0</u>	256
Total		3.2	10.1	
<ul style="list-style-type: none"> ○ 50% reduction would save 50% less pro rata; ○ Jobseekers Allowance not paid until 18 yrs ○ Reduction or abolition may reduce numbers of early school leavers engaging in Youthreach and CTC programmes 				
Savings Options/Comment	2011	Savings €m		Additional Information
PARTICIPANT ALLOWANCES	Cost	2012	2013	
4. Allowances paid: reduce from €188 to: €100 for 18-21 yr olds, €144 for 22-24 yrs				
(a) For All Participants:				

Youthreach VTOS CTCs FAS Training Total		10.8 2.0 4.8 <u>12.2</u> 29.8	10.8 2.0 4.8 <u>12.2</u> 29.8	1,600 18-20s in VEC YR centres 1,000 21-24 yr olds in VTOS 1,240 18-20s in CTCs 3,184 in FAS Training
(b) For New Entrants: Youthreach Centres VTOS CTCs FAS Training Total		1.8 0.3 [2.4] <u>9.0</u> 13.5	7.2 1.4 4.8 <u>12.2</u> 25.6	
<ul style="list-style-type: none"> ○ Jobseekers Allowance 18-21 yrs rate is €100, 22-24 yrs rate is €144 ○ Reduction may reduce numbers of early school leavers engaging in Youthreach and CTC programmes ○ If one of these options is selected consistency with the Back to Education Allowance rates should be discussed with the Department of Social Protection 				
5. Long Term Unemployed bonus of €20pw				
(a) Abolish for Existing Participants:				
FAS	3.0	3.0	3.0	3,100 trainees in receipt
VECs (YR and VTOS)	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	4,500 learners in receipt
Total	<u>6.7</u>	<u>6.7</u>	<u>6.7</u>	
(b) Abolish for New Entrants				
FAS	3.0	1.5	3.0	
VECs (YR and VTOS)	<u>3.7</u>	<u>1.9</u>	<u>3.7</u>	
Total	<u>6.7</u>	<u>3.4</u>	<u>6.7</u>	
<ul style="list-style-type: none"> ○ 50% reduction to €10pw would save 50% less pro rata ○ Reduction or abolition would reduce incentive for Long Term Unemployed to attend further education and training courses ○ Any changes would need to be consistent with similar payments to participants on Dept of Social Protection programmes including Community Employment, Job Initiative, Tus etc. 				
6. Meal (€4pw) and Travel (€12pw av) Allowances				
(a) Abolish for Existing Participants:				
FAS	18.7	18.7	18.7	FAS over 120,000 participants
VECs (YR and VTOS)	<u>2.6</u>	<u>2.6</u>	<u>2.6</u>	3,800 YR, 6,000 VTOS participants
Total	<u>21.3</u>	<u>21.3</u>	<u>21.3</u>	
(b) Abolish for New Entrants				
FAS	18.7	14.0	18.7	
VECs (YR and VTOS)	<u>2.6</u>	<u>0.4</u>	<u>1.7</u>	
Total	<u>21.3</u>	<u>14.4</u>	<u>20.4</u>	
<ul style="list-style-type: none"> ○ 50% reduction would save 50% less pro rata; ○ Difficult to defend if Options 3 - 5 above are selected. 				
Savings Options/Comment	2011	Savings €m	Additional Information	
GRANTS	Cost	2012	2013	

7. GRANTS: Reduce PLC, YR, VTOS capitation grants by 10%	20.8	2.1	2.1	
<ul style="list-style-type: none"> ○ These grants were reduced by 5% in Budget 2010 ○ VEC use these grants to defray non-pay expenses 				
8. Stop paying Aontas/NALA grants	2.8	2.8	2.8	NALA €1.8m/Aontas €1m
<ul style="list-style-type: none"> ○ Aontas promotes adult learning by providing an information referral service, collecting data and undertaking research ○ The National Adult Learning Agency campaigns to promote adult literacy and numeracy and produces research, television programmes, provides information and advice NALA <p><i>[-Text redacted-].</i></p>				
FEE INCREASES				
9. Increase PLC participant contribution from €200 to €400	4.0	0.0	4.0	
<ul style="list-style-type: none"> ○ Provisional estimate; ○ contribution for 2012/2013 academic year collected in 2013 				
10. Introduce a BTEI participant contribution of €100 for those in employment, including those without upper second level qualifications		0.5	0.7	7,000 participants
<ul style="list-style-type: none"> ○ Measure will discourage those with below lower second level education from returning to education ○ If those without upper second level qualifications are excluded, savings are minimal 				
SERVICE REDUCTIONS				
11. Regress PLC PTR 17:1 to 19:1 from Sept 2012	115	4.0	11.5	
<ul style="list-style-type: none"> ○ Savings dependant on successful redeployment and therefore may not be fully realised; to guarantee savings would require greater regression 				
12. Reduce VEC grants for BTEI, Adult Literacy, Community Education, AEGl, Skills for Work programmes by 10%	73.7	7.4	7.4	
<ul style="list-style-type: none"> ○ Will reduce programme activity in these areas 				
13. Reduce VEC Youthreach hours allocation by 10% from 1/9/12	30	1.0	3.0	
14. Reduce VTOS hours allocation by 10% from 1/9/12	19	0.7	1.9	
<ul style="list-style-type: none"> ○ Current places 6,000 ○ Savings dependant on successful staff redeployment 				

15. Cut Community Training Centre allocation by 10%	45.5	2.3	4.5	
○ Savings dependant on successful staff redeployment				
16. Reduce further education co-operation hours to prisons, probation services, PwDs, etc by 10% from 1/9/12	24.0	0.8	2.4	
○ Will reduce services to disadvantage groups				
17. Reduce Apprenticeship Trainees	51	14.0	14.0	
○ Reflects lower intake				
18. No Labour Market Activation Fund	15.0	15.0	15.0	
○ No 2012 fund (Note – this saving is already factored into the base for 2012-2014)				
19. Cut Training for Unemployed incl. LTI by 10%	283	9.4	28.3	
○ Will reduce training for the unemployed				
20. Skillnets cut by 50%	14.5	3.7	7.4	
○ Skillnets budget already reduced from €16.6m in 2010 and partially redeployed to FAS Training for Unemployed				
○ Skillnets now spends 10% of budget on training the unemployed				
21. PwD Training contract cut by 10%	54.6	2.8	5.5	
○ Will reduce training for a vulnerable group				
22. IDA/EI etc cut by 10%	6.6	0.7	0.7	
Will reduce training element of Foreign Direct Investment incentives				
23. Reduce Miscellaneous Further Education Grants by 10%	7.8	0.8	0.8	FESS, programme coordinators, CPD, Youthreach SENI and GCP and to NGOs and community groups
24. Reduce Locally Devised Assessment payments by 10%	3.2	0.3	0.3	

Programme 7. HIGHER EDUCATION, GRANGEGORMAN & PUBLIC PRIVATE PARTNERSHIPS

- 7.1 Higher Education Programme**
- 7.2 Grangegorman Development Agency**
- 7.3 Public Private Partnerships (PPPs)**

7.1 HIGHER EDUCATION PROGRAMME

PROGRAMME EXPENDITURE:

€1,301,844,000

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under programme 10)

18,424 core staff posts in Universities, IOTs and other Third level Institutions
3,587 non-core contract research posts (Exchequer and Non-Exchequer funded)
2,467 other non-core posts (non-Exchequer funded)

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

Higher education delivers important national goals in raising the skills level of the Irish population and promoting social inclusion through provision of opportunities for life-long learning. The Higher Education system is also responsible for producing the highly skilled graduates and the leading edge research activity necessary to support the type of economic activity where Ireland will be able to continue to compete globally and from which sustainable employment opportunities will continue to be developed as the international economy recovers.

The Higher Education programme has three sub-programmes;

- Funding of higher education institutions (**€1,242,079,000**)
- Research (**€41,085,000**)
- Grangegorman and PPP's (**€18,680,000**)

The universities and institutes of technology provide the vast majority of the State's higher level education and are supported very substantially by the State. Funding allocated through the higher education programme includes core grants and grants in lieu of fees for institutions designated under the Higher Education Authority; grants and fee grants to other non-designated institutions; competitive funding awards under the Strategic Innovation Fund; funding for Research and Development activities; including two Research Councils, and the administrative costs of the Higher Education Authority. The absence of public funding of higher education institutions would have very serious adverse economic and social impacts, particularly in the context of accelerating demand for higher education due to demographic pressures and the impact of the recession.

The Higher Education Authority (HEA) is the statutory planning and development body for higher education and research in Ireland. In addition, it is the funding authority for the universities and institutes of technology and a number of designated higher education institutions. Recurrent funding is allocated by the Department to the HEA, which in turn deals with the individual budgets of the institutions. The National Strategy for Higher Education to 2030 outlines a new relationship between the State and higher education institutions and identifies a strengthened role for the HEA within the context of this new performance framework that will better align public investment with national priorities.

The Department's **research programmes** support cross-Government policies to sustain and further develop Ireland's research and innovation capabilities, and to enable high quality education and skills provision. Through the Research Councils (Irish Research Council for the Humanities and Social Sciences - IRCHSS and Irish Research Council for Science, Engineering and Technology - IRCSET) funding is provided to PhD students and early stage postdoctoral researchers, with a particular emphasis on skills development, across the broad range of humanities and science disciplines. The provision of funding opportunities across this broad spectrum of disciplines is essential in maintaining a strong base of research, and ensuring the availability of highly skilled graduates across the economy. Students funded by the Councils at present will graduate in 3-4 years when it will be essential to have a flow of highly skilled people as the economy recovers.

The Department, through the IRCHSS, is the primary funder of humanities and social sciences research. As acknowledged in the Innovation Taskforce report, these are areas where Ireland has made a real global impact, and there are compelling social, cultural and economic reasons to further support and develop our capabilities.

The overall policy goals of higher education are:

1. Promoting social inclusion and citizenship particularly through widening participation and provision of opportunities for life-long learning;
2. Enhancing skills levels to meet the needs of a high-technology economy;
3. Promoting economic development, through developing skills but also increasingly through research and the application and commercialisation of new knowledge;
4. Promoting regional and cultural development.

Key objectives

1. To provide a national system of third and fourth level education and produce leading edge research to support the development of a knowledge economy;
2. To widen participation and increase student and graduate numbers at third level;
3. To reform and modernise programme delivery;
4. To achieve world-class quality in higher education;
5. To advance institutional and structural reform at third level; and
6. To reform the public funding framework to ensure that institutional strategies pursued by Higher Education institutions are aligned with national priorities.

Impact indicators

1. Overall participation in higher education, including among underrepresented groups;
2. Quality and quantity of skilled graduates to meet needs of the economy;
3. Core capacity and capability within the sector to enable world class research, to support innovation and respond to wider needs of society and the economy

PROGRAMME EFFECTIVENESS & EFFICIENCY

There is considerable evidence that the higher education programme is contributing to the overall policy goals outlined above through the delivery of key objectives associated with higher education. The following section assesses the effectiveness of the programme in terms of achievement of the three impact indicators listed above and further analyses some of the implications for future effectiveness within these parameters in the context of future funding decisions.

1. Overall participation in higher education

Trends in Participation and Enrolment

One of the key outcomes expected from any higher education system is a continuous supply of skilled graduates into the economy and society. Increasing the levels of attainment in the workforce (population 25-64 year olds) has been identified by EU and OECD as critical for economic growth.

- Participation rates in higher education in Ireland continue to increase and the first time admission rate is now at 65% in 2010. The Leaving Certificate entry rate which measures the proportion of school leavers only entering higher education is at almost 70% in 2010.
- The level of enrolments in higher education has increased by 18% since 2005/06.

Table 1: Enrolment in Higher Education 2005/06-2010/11 (aided institutions)

Year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11*
FT Students	136,719	138,362	139,134	148,197	156,973	161,089

Source DES Statistics Section *Estimate

Future Growth Trends

Projections of future demand for higher education in Ireland show that if the higher education system can further expand its capacity, future growth will continue along this trajectory. Revised figures show:

- An increase in demand for places at higher education of 45% by 2020 and an increase of almost 80% by 2030.

2. Quality and quantity of skilled graduates to meet needs of the economy

Educational Attainment Levels in Ireland

This continuous pipeline of graduates into the Irish economy results in high attainment levels of tertiary education in the Irish workforce compared to our international competitors. OECD Education at a Glance figures show that:

- Ireland had an average annual growth rate of 5.8% in the percentage of 25-64 year olds with tertiary attainment between 1999 and 2009, far higher than the OECD and EU21 average growth rates in the same period of 3.7% and 3.9% respectively.
- Irish tertiary attainment rates significantly exceed OECD and EU averages, particularly in 25-44 year age groups and at 48% for 25-34 year olds have already exceeded the key EU2020 target for 40% attainment in this age group by 2020.

Table 2: International Benchmarks – Tertiary Attainment Rates 25-64 2009 (%)

	25-34	35-44	45-54	55-64	25-64
Ireland	48	39	28	20	36
OECD Average	37	32	27	22	30
EU21 Average	34	29	24	20	27

Source OECD EAG 2011 (Table A1.3a)

Quality and Efficiency of Irish Higher Education

In a comprehensive comparative international assessment of the efficiency and effectiveness of public spending on tertiary education¹ carried out for Ministers of Finance in EU in 2009, Ireland ranks very highly in terms of efficiency and productivity across the range of statistical and analytical techniques employed to measure quality outputs including (PISA scores, academic perceptions of graduate quality, recruiter perceptions of graduate quality, research output, citation indices etc.) as well as typical input variables used in efficiency analyses.

Key findings of the study are that:

- Ireland ranks first of 28 countries in terms of graduates per 1,000 inhabitants (2005 data) and 2nd number of graduates per academic staff and per student. The latter shows that the Irish system has a high turnover rate – second only to Japan.

¹ St. Aubyn, M., Pina, A., Garcia, F. & Pais, J. (2009) *Study on the efficiency and effectiveness of public spending on tertiary education*, European Economy, Economics Papers 390, November 2009, ECOFIN, European Commission, p.66. http://ec.europa.eu/economy_finance/publications/publication16267_en.pdf

- Ireland also ranks first of 28 countries in terms of how international employers rate our graduates for employability and quality. Ireland also ranked second in terms of how peers (i.e. other universities) perceive the quality of Irish graduates.
- The high performance of the Irish system in these key efficiency and quality indicators leads to the study's conclusion that Ireland is close to the "production possibility frontier" of efficiency and effectiveness when compared to other systems.

In terms of international rankings, it is also very significant that eight Irish institutions feature in the top 500 in global rankings out of more than 15,000 universities worldwide. Per capita, Ireland has the 8th highest number of high-ranking institutions and we are ahead of the UK and the US (on a per capita basis) on this metric.

Expenditure Trends

The evidence shows that high quality and efficiency outcomes of Ireland's higher education system institutions have been maintained in recent years, even as enrolments have increased sharply in the context of budgetary restrictions. This has led to an inevitable decline in the unit of resource per student. The following table shows this pattern clearly.

Table 3: DES Expenditure per Student 2005-2010

DES Estimates*	2005	2006	2007	2008	2009	2010
Whole-time equivalent of all students	159,323	160,361	162,058	166,241	174,080	180,302
DES estimates per student	€10,381	€10,884	€10,790	€10,660	€10,182	€9,415
* % Difference		4.9	-0.9	-1.2	-4.5	-7.5**

*Includes WTE for all students including Part-Time; based on calendar year expenditure Source DES Statistics

**The expenditure reduction in 2010 includes the impact of allocation reductions associated with public sector paycuts (c.5.5%)

Source: DES Statistics

The following table shows the change using 2000 levels of expenditure and student numbers as the baseline.

Table 4: Change in Expenditure per Student in Higher Education Institutions (public and private sources of funding combined) in 2008

Tertiary Education			
Change in Exp by Ed Institutions for all Services per student by level of Education 2007 (Table B1.5 EAG 2010)			
	Change in Expenditure (2000=100)	Change in Number of students (2000=100)	Change in Expenditure per student (2000=100)
Ireland	136	118	115
OECD Average	140	124	114
EU19 Average	142	120	119

Source OECD EAG 2011 (2008 data) Table B1.5

The data supports the view that the sub-programme, funding for institutions, through the higher education programme is offering good value for money as outcome indicators show that Ireland, comparative to other countries, receives a good return relative to the levels of investment.

3. Core capacity and capability within the sector to enable world class research, to support innovation and respond to wider needs of society and the economy

The higher education programme supports research through the HEA block grant (institutional funding) and through competitive funding managed by the research councils. The higher education programme supports the core capacity within the sector to enable world class research and engagement and is essentially the bedrock of the Irish research and innovation system. It plays a key role in supporting educational infrastructure across the system, ensuring a broad range of postgraduate and postdoctoral research in all disciplines. This provides an essential underpinning of the continued and rapid advancement of Ireland's research activity.

The impact of this activity is considerable as recent data shows:

- Ireland ranks within the top 20 nations in the world across all research fields in terms of the impact of its research, up from 36th in the world in 2003. Ireland's citations impact is now 25% higher than the world average
- Ireland more than doubled its percentage share of world research papers over the last 5 years.
- There have been significant increases in patent applications, invention disclosures and spinout companies formed.
- The expansion of the fourth level sector (Masters and PhD, Levels 9/10) continues apace. The numbers of student enrolments on postgraduate programmes in universities increased from 16,773 in 2005 to 21,609 in 2009, an increase of 29%, while PhD graduates from the university sector increased from 774 in 2005 to 1,149 in 2009 (+48%).
- Approximately 50% of IDA investments are now Research, Development and Innovation (RDI) based.

Department's research funding

The Research Councils have been very responsive to Government policy and the needs of enterprise and have tailored their funding in recent years to enhance researcher training and skills development –

- Awards in partnership with industry which are facilitating academia-enterprise links and providing researchers with valuable enterprise experience. 40% of IRCSET awards this year have an enterprise partner.

- Awards in partnership with the EU Commission providing Irish-based postdoctoral researchers with the opportunity to work in an international research laboratory for a 2 year period.
- Facilitating the development of structured PhD education, through policy development and direct funding support for programmes. This approach to PhD education will ensure PhD students emerge with a depth of discipline knowledge and with research and transferable skills required by the enterprise sector.

The success of these schemes is reflected in the level of non-exchequer funding they have attracted - €11m over the 2006-2010 period.

The stipend for PhD students (€16k) and salary for postdoctoral researchers (€31k) are the lowest offered by funding agencies in Ireland (€18k for SFI), and are low compared to other EU countries and represent good value for money. Despite this, interest in the schemes has remained high. The Councils already manage a number of funding schemes on behalf of other Department's/agencies. Further efficiencies could be exploited if the Research Councils were tasked with managing the scholarship schemes of sectoral Departments and agencies.

Efficiency and Effectiveness – Implications of Future Funding Decisions

The evidence shows that expenditure on both sub-programmes within the higher education programme is achieving the desired outcomes outlined in section one. However the challenge will be to ensure that we continue to achieve those policy goals relating to increased participation, raising skills levels of the labour force and delivering quality research and teaching so that we continue to produce high quality graduates. The data shows a clear trend of rising demand for higher education coupled with declining expenditure per student in the higher education system. This is of particular significance when considering further reductions, particularly in institutional funding which makes up the bulk of public expenditure on higher education in Ireland.

There are a number of underlying trends in higher education expenditure which may exacerbate the central dilemma of how to reconcile the need for growth, maintaining quality and reducing expenditure.

These include:

- The high proportion of expenditure on higher education which is public exchequer sourced. This is higher than OECD and EU19 averages. 82.6% of expenditure on higher education in Ireland is public expenditure, compared to corresponding OECD and EU21 averages of 69.3% and 80.4% respectively. Cuts in public expenditure have a far greater effect overall on institutional funding than in other countries.
- The high proportion of pay costs in higher education institutions (close to 80%) coupled with a lack of managerial autonomy within institutions in relation to constraints on pay levels and a lack of exit mechanisms. These

constraints leave institutions with little room for manoeuvre in achieving the desired efficiencies while maintaining quality service levels.

Key conclusions of the Council of Europe on “Ensuring the future efficiency and effectiveness of public spending on tertiary education” include the following:

- “The case for an increase in private funding sources is considerably stronger in situations where limited public funding acts as an excessive constraint on *the number of students or reduces spending per student* to levels which risk jeopardising the quality of teaching and the acquisition of skills by students”.

When taking into account the projected increased demand for higher education and how accommodating this will exacerbate the downward pressure on spending per student in line with recent trends, reductions in public funding of institutions may have to be balanced with increased student contributions, if quality is to be maintained. Otherwise it is likely that capping student numbers will have to be considered as an interim option (with associated impact on the Social Protection Vote, as some students who do not succeed in obtaining a college place will apply for Social Protection payments).

4. Potential for Programme Rationalisation and Reprioritisation

It is recognised that in some higher education institutions the range of programmes provided is extensive for the relatively small number of students enrolled and that an opportunity exists for more collaboration, efficiency and rationalising of programmes and offering them in fewer institutions. As part of the implementation of the National Strategy for Higher Education the Higher Education Authority will engage in a process of strategic dialogue with higher education institutions with a view to aligning the strategies of individual institutions with national priorities, agreeing strategic relationships within regional clusters and agreeing Key Performance Indicators against which each institution will be measured and funding decided. This process will involve challenging unnecessary duplication of provision where this is evident. Work on developing the strategic dialogue process is now underway with initial focused reviews planned in relation to dental education, creative arts provision and music education. In the immediate term reducing overall funding allocations together with specific instructions to ring fence priority areas which reflect Government policy and workplace demands puts the onus on the Higher Education Institutions to make best use of scarce resources through identifying saving opportunities. This approach, in the context of a developing strategic dialogue process, is a more effective means of rationalising activity and achieving savings than any effort to centrally determine course priorities (which would face considerable challenge and may not materialise savings given cost structures in place). Consideration will also be given to those public submissions received as part of the CER consultation process which related to the above issues.

IDENTIFICATION OF SAVINGS OPTIONS

Savings Options:

- **Increase Student Contribution Charge (€2,000 effective from 2011/12 academic year).**

Background:

A new student contribution charge of €2,000 is being introduced in higher education with effect from the 2011/2012 academic year. This charge will replace the Student Services Charge and will apply to all students who currently benefit under the 'free fees' scheme. The contribution will be paid by the Exchequer in respect of students who qualify under the third level grant schemes.

In order to alleviate the financial pressures on families, provision has also been put in place, through the availability of tax reliefs, so that second and subsequent siblings will not have to bear the full increase. Based on current rates of relief, the effective cost of the student contribution charge, net of tax relief, for second and subsequent siblings will be €1,600 each.

The impact of further increases on overall family affordability and higher education participation needs to be considered. The current charge has increased from €1,500 in 2009 and 2010 and from €900 in 2008.

Option 1 (increase by €250):

The total additional revenue that will be generated by increasing the Student Contribution to €2,250 (an increase of €250) is estimated to amount to some €31m. Of the additional €31m, the contribution that will be paid by the Exchequer in respect of students who qualify under the third level grant schemes will amount to some €12.5m.

Saving Option 1: €18.5m

Option 2 (increase by €500):

The total additional revenue that will be generated by increasing the Student Contribution to €2,500 (an increase of €500) is estimated to amount to some €62m. Of the additional €62m, the contribution that will be paid by the Exchequer in respect of students who qualify under the third level grant schemes will amount to some €25m.

Saving Option 2: €37m

Option 3 (increase by €1,000):

The total additional revenue that will be generated by increasing the Student Contribution to €3,000 (an increase of €1,000) is estimated to amount to some €123m. Of that, the cost to the third level grant schemes will amount to some €50m.

Saving Option 3: €73m

Savings shown above are gross savings on Education Vote. The impact of tax reliefs for second and subsequent siblings would reduce the overall Exchequer benefit by approximately €7m for option 1, €8m for option 2 and €10m for option 3.

- **Differentiated Student Contribution Charges by cost of course being undertaken**

A variation on the above savings options for an increased student contribution would be to provide for differentiated increases based on the economic cost of the particular course being studied. There are clearly a range of available options here. Based on average course costs, a higher student contribution for Medicine/Veterinary/Dentistry courses would be charged than for Science and Engineering courses, which in turn would be higher than the charge for Arts and Commerce courses. The exact charges chosen would depend on the overall amount of savings sought. In deciding on any differentiated fee levels the impact of possible options on incentives for take up of high priority labour market skills courses would need to be considered.

- **Re-introduction of Fees/ Income Contingent Loan Scheme**

The DES July 2009 report on 'Policy Options for new Student Contributions in Higher Education', looked at the question of introducing an income contingent loan scheme. The models examined were based on a significant fee scheme, where the rate of fee would be tied to existing 'free fee' or 'EU fee rate' levels.

The Higher Education strategy recommends that a direct student contribution based on an upfront fee element and an income contingent loan element should be introduced as a feature of higher education financing for the twenty year period of the strategy. However, this would be predicated on a substantial fee rate, which would justify in overall income terms the substantial overhead costs of administering such a scheme. A summary outline of some of the issues involved in developing an income contingent loan scheme is appended for information.

A HEA study on the sustainability of the funding framework for higher education is now getting underway. This has been identified as a precursor to further consideration of policy options for future system funding. In giving further consideration to these options, further advance work will be required in updating elements of the 2009 report in light of developments since (e.g. assumptions on borrowing costs based on sovereign rates have changed dramatically). It is proposed that the Minister will separately bring forward options for consideration in the autumn in light of the HEA sustainability study.

- **Reduction in Core Funding**

The bulk of exchequer funding to HEIs is pay related. Continuing reductions in pay costs will be achieved through the operation of the employment control framework over the period 2011 to 2014.

Third level institutions were the subject of an earlier ECF covering the period 2009 and 2010, during which a reduction in numbers of over 6.5% (1,430) was achieved. The reductions were achieved over a period of continuing increases in student numbers, by 3% in the case of the universities and 12.5% in the case of the Institutes of Technology. The combination of increasing student numbers and reducing resources (staffing and financial) has a potential detrimental impact on quality and risk to reputation. Already, academic staff student ratios in the Irish system are high by international standards. The critical tension between growth in numbers, resource constraints and quality is the subject of the HEA study on the sustainability of the funding framework that is now underway.

Further reductions in core funding (pay or non-pay) will impact on the capacity of the sector to respond to future participation demand while maintaining acceptable levels of quality and choice for students. [-Text redacted-].

Reduction in pay allocation:

Each 1% reduction on pay-bill costs would yield a saving of €8.5m. The savings associated with various levels of reduction are illustrated on the following table. Any proposed cuts could only be achieved by a reduction in staffing numbers over and above that already agreed under the revised employment control framework for the sector.

Impact of 1% reduction on pay costs	Impact of 2% reduction	Impact of 3% reduction	Impact of 4% reduction	Impact of 5% reduction
€8.5m	€17m	€25m	€34m	€42m

Reduction in non-pay allocation:

Each additional 1% reduction on non-pay funding would result in savings of €3.3m. The savings associated with various levels of reduction are illustrated on the following table. It should be noted that significant non-pay reductions and available associated efficiencies (including through shared services, joint procurement etc) have been delivered over the last two years. In this regard, a 5% cut on non-pay budgets was imposed in 2010 on top of reductions of 6-7% in 2009.

Impact of 1% reduction on non-pay costs	Impact of 2% reduction	Impact of 3% reduction	Impact of 5% reduction	Impact of 10% reduction
€3.3m	€6.6m	€9.9m	€16.5m	€33m

- **Amalgamate Research Council Administrative Structures**

The two Research Councils are separate bodies established by the Minister in 2000 and 2001, with their own separate Directors and staffing. Given the synergies in administrative operations, it is proposed that the Executives of both Councils will be merged under the one Director.

The contract of the Director of IRCHSS ended in May 2011 and was not renewed. The Department and the HEA are in discussions in relation to the amalgamation of the administrative structures of the Councils. While there are no significant savings envisaged (1 post at AP Higher Scale) there will be efficiency gains.

It should be noted that it is envisaged that separate Councils/Boards will remain to ensure the appropriate level of expert oversight – members do not get an allowance, just expenses.

Annual savings – c. €100,000

- **Reduction in PhD student stipend**

The PhD stipend offered by the Research Councils is currently €16,000 annually. It has been at this level for several years and has not been reduced in line with wage reductions in recent years.

While already the lowest stipend offered under national funding schemes, there may be scope to reduce it further but this should only be done in tandem with other funding agencies. Based on 2011 award levels, a €1,000 reduction would result in Research Council savings in the initial year of €0.2m, growing to €0.6m per year.

While this has a limited effect when applied to the Department's programmes only, it would have a greater impact if applied across all national funding programmes.

Savings: 2012 - €0.2 million, 2013 - €0.4 million, 2014 - €0.6 million

- **Curtailement of research activities funded**

It is proposed to terminate the Technological Sector Research Programme. This Programme funded masters scholarships and project based research in the IOT sector only. The Department intends to transfer the masters scholarship element of the programme to the Research Councils, albeit on a smaller refocused scale. Preliminary discussions with the HEA and the IOTs have commenced in this regard. This would generate savings of approx. €1 million, compared with 2011 provision.

Budget constraints in recent years have significantly reduced the numbers of awards made by the Councils. In 2008, the Councils made 600 PhD and postdoctoral awards, they will make only 320 this year. They are now back to 2004 award levels. In addition, calls haven't been made on smaller schemes in the

last number of years. As a result of reducing stock, a further €1 million could be saved in 2012, if awards are maintained at the 2011 level. It should be noted however that this is going to have an impact on achieving SSTI targets.

Savings: 2012 – €2 million

7.2 GRANGEGORMAN DEVELOPMENT AGENCY

Programme Expenditure €2m

Rationale for the Development

The capacity of the Dublin Institute of Technology to deliver its optimal role in Irish higher education is severely restricted by the poor quality of much of its building infrastructure and by its fragmentation across the city. Spread over 39 locations, Dublin Institute of Technology is badly constrained from developing its teaching and research methodologies and expanding its postgraduate base to respond to changing higher education demands. Multiple Dublin Institute of Technology locations give rise to unproductive additional operating costs and duplication of resources in a range of areas including: library services, administration, energy use, building services and educational provision. Developing education and health facilities on the Grangegorman site will also act as a key lever in the regeneration of a particularly disadvantaged area of Dublin's inner city.

Identification of Savings Options

It is proposed to reduce the Agency's budget by 20% in 2012. This would mean that the Agency may not have sufficient funds go above a staff of 8/9 rather than the ECF position of 10 by end 2011 and 12 by end 2014. However, in light of the market issues currently around the funding of third level PPP projects and the difficulties the Agency are likely to encounter in trying to maximise the selling potential of the DIT properties, the limiting of the Agency staff at this point could be achieved. The staffing levels could be reviewed at a future stage.

7.3 PUBLIC PRIVATE PARTNERSHIPS

Programme Expenditure €41m

Rationale

The key objective of the Department's Public Private Partnership programme is to Implement Government Policy in relation to PPPs by the facilitation of PPP investment for the provision of new primary and post primary schools and for the delivery of higher education building projects.

The 25 year contracts between the Department and the private PPP Company operators provides for monthly payments subject to the services outlined in the contract being provided to the satisfaction of the Department. Payments are made to

the relevant private operator by means of a monthly Unitary Payment (UP). The UP comprise loan repayment (capital and interest) for the project, financing which covers design, construction and equipment, building and equipment life cycle funds and facilities management of the schools. The facilities management includes maintenance, cleaning, salaries and sundry expenses.

EFFICIENCY/EFFECTIVENESS

The PPP Unit closely monitors the contracts for each of these projects as well as continuing to have regular meetings with both the PPP Operators and the relevant Authorities. Arising from this, the PPP Unit may apply Unavailability and Service Performance deductions, in accordance with the Contracts, to the monthly Unitary Charge in respect of any periods of unavailability or service performance failures.

The two third level facilities funded under PPP are currently operational and generally running smoothly.

IDENTIFICATION OF SAVINGS OPTIONS
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As the Department is contractually committed to paying the Unitary Charges for these PPP projects, there is no scope to reduce the Unitary Payments in 2011.

Issues related to Income Contingent Loan Schemes from July 2009 DES report

Important **features of income contingent loan schemes** that were identified in that report are as follows:

- Involves no fee at the point of entry (the student services charge could be incorporated into the loan). Fees are paid on behalf of the student who then repays upon graduation, with repayments linked to future earnings.
- Students, **including grant-holders**, would not be assessed for fee liability on the basis of parental means but on the basis of their own future earning capacity, i.e. grant-holders can continue to be awarded a maintenance grant but would be liable for re-paying their tuition fee on the same basis as non-grant-holders (based on future earnings). These systems have become widely accepted internationally as being highly equitable on that basis.
- The model can maximise future revenues on the basis of capturing a much wider cohort of students – including grant holders – under a fee regime. However, these revenues are long term.
- The model can also be extended to part-time students, addressing a current policy anomaly.

On the downside, income contingent models involve:

- Very significant administrative complexity and administrative costs
- Very significant time lag before a scheme becomes self financing. Based on a simple modeling exercise, this could be 17 years. The net outlay (loans issued less repayments in) would become less than exchequer outlay on free fees after about seven years.
- Depending on the scheme design, there can be significant upfront costs in implementing it
- There is a series of design and implementation choices that can impact on this and on the timelines for the scheme to become self financing.

Scheme Design Issues

- The question of who funds the scheme is an important one – whether Government or borrowings from private sector. The UK, Australian and New Zealand schemes were all exchequer funded. In Hungary the scheme is privately funded. The extent to which funds are borrowed determines the extent to which exchequer savings can be advanced on existing free fees expenditure.
- The impact of a scheme on GGB/ GGD is an essential design consideration. It will be necessary to ensure that any borrowings are ‘off-balance sheet’. It is possible to design a scheme that doesn’t impact on GGB/GGD – advice was previously taken from D/Finance and CSO on this. The key issues are whether the scheme is self-financing or not and the nature of any exchequer guarantees (for individual default v catastrophic default)

- Another significant design issue is the rate of interest charged. To ensure that the scheme is ultimately self-financing, the interest rate has to cover costs of borrowing, costs of default and administration costs. At the same time there is a need to avoid penal rates that will discourage HE participation. Different approaches have been taken internationally e.g. Australia didn't charge interest, but a surcharge which amounted to an effective discount for upfront payments. Others charge the sovereign rate of borrowing + provision for administrative cost + provision for default costs.
- The question of providing some form of incentive for upfront payment should also be considered in the 'pricing' of loans.
- Default is a feature of any loan scheme. Under income contingent schemes there is an acceptance of default as a social policy measure – i.e. government accepts that those who do not reach the earnings threshold do not repay and are therefore effectively subsidised. There are policy choices as to when you write off debt etc – detailed scheme design issues. To put in context, the free fees scheme is a State subsidy for all. Under an income contingent loan scheme, default rates are a subsidy for those who do not go on to earn sufficiently to repay debt.

Administration

- The question of administrative arrangements and costs is a major one. The main administrative challenge is in the collection of debt. Correspondence details and 'accounts' are required for hundreds of thousands of borrowers ultimately. Systems to collect repayments and systems to pursue individual graduates are also required. In an income contingent scheme, this is further complicated by the need for details on current employment, earnings etc.
- A number of possible organisational arrangements were considered in the 2009 report and the consequences of each set of arrangements on General Government Borrowing (GGB) and General Government Debt (GGD) were set out. Other factors for consideration include administrative costs and public sector employment considerations.
- The national Tax collection agency has a primary role in the administration of the Australian and New Zealand schemes.
- The administrative costs are very significant – at the time of the 2009 report these had been recorded as £15m stg p.a. in the UK + £16m once off (+ employer costs) and c €25m p.a. in Australia.
- The involvement of the Revenue Commissioners is considered to be an important factor in reducing default rates and in facilitating effective and efficient arrangements for debt collection in an income contingent system.
- Initial discussions with the Revenue Commissioners here in 2009 indicated a preference on their part for a secondary role (in providing data to the loans company on graduate income and employment and in serving as a 'back-stop' collection agent in respect of defaulters). They were not prepared to take on the role of primary collection agent.
- Taking account of all relevant factors, a possible workable model would involve roles for the universities (in establishing and managing a loans company to issue and record loans – modelled on the Central Applications Office), for the National Treasury Management Agency (NTMA) (in scheme design and funds borrowing at sovereign rates) and for the Revenue Commissioners in a secondary collection role.

- If an income contingent loan scheme of this nature was to be developed, detailed implementation arrangements would need to be planned with the relevant bodies. Possible legislative, data protection and any other implementation issues arising would need to be addressed in this detailed planning work. Any such further planning work would have to be undertaken with the involvement of officials of relevant Departments and agencies, including the Departments of Education and Skills, Finance, the Revenue Commissioners, the National Treasury Management Agency, Central Statistics Office and the Higher Education Authority.

Programme 8. STUDENT SUPPORT & STUDENT ACCESS

PROGRAMME NAME /

- 1) Student Grants
- 2) Third Level Access
- 3) Scholarship programme

PROGRAMME EXPENDITURE:

Provision for 2011

- 1) Student Grants - €386m
- 2) Third Level Access - €16m
- 3) Scholarship programme - €2.4m

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

1) **Local authorities, VECs and institutions: 190 (est.)**

2) **HEA: 7.**

It should be noted that the VEC staff in this Programme are also included in the VEC Administrative staff in Programme 1.

1. STUDENT GRANTS

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The overall objective of the programme is to promote increased access to further and higher education, particularly for underrepresented groups.

The purpose of the programme is to provide financial support to those who need it most in order to enable students from families of limited means to attend further and higher education, who otherwise would not be in a position to participate.

Priority is given within the schemes to those who have not previously participated in higher education and to those who previously attended but had not completed a higher education course. Particular priority is given to supporting students from the most disadvantaged backgrounds, particularly those from families dependent on income support from the State. Recent years have seen significant increases in expenditure on this Programme and it is projected that these increases will continue for the foreseeable future, giving rise to potential additional expenditure of some €60m by 2015.

The objectives of the programme remain consistent with national policy as outlined in the Department's Statement of Strategy, the National Access Plan 2008-13, the

Strategy for Higher Education 2011 and reflect the Government's ambition to build a knowledge society where education is at the heart of a more cohesive, more equal and more successful society, as outlined in the Programme for Government.

PROGRAMME EFFECTIVENESS & EFFICIENCY

While participation in higher education has significantly increased over the period since the introduction of the schemes, some groups of people still remain under-represented in higher education. In more recent years the improvements to the schemes have been particularly targeted at those groups whose participation in higher education is below the national average, e.g., introduction of the "top-up" grant in 2001. Available data indicates that this targeted approach has led to an increase in participation by most of the lower socio-economic groups.

Full-time enrolments have grown from under 41,000 in 1980 to almost 160,000 today. The entry rate to higher education has grown from 20% (of 17-18 year olds) in 1980 to a current rate of approximately 70%.

The programme expenditure is meeting the policy objectives in that improvements in the rates of participation are continuing to materialise.

The student grants landscape is complex with four different schemes, each with varying criteria, being operated by 66 different awarding authorities, with payments under the schemes being made by 71 different bodies. The Department is implementing a major programme of legislative and administrative reform of student grants to ensure that greater efficiencies and value for money are obtained. Regulations for the provision of a unified grants scheme to consolidate the existing four schemes into a single scheme have been developed and will be introduced for the coming academic year. In 2012, the administration of grants will be centralised into a single awarding authority with a potential saving, when fully operational, estimated at €4m per year. In the interim, additional efficiencies are being achieved through the introduction of a range of measures including moving grant application to an on-line system and the extension of grant payments by way of electronic funds transfer.

IDENTIFICATION OF SAVINGS OPTIONS

Option 1: Abolish Student Maintenance Grants

[-Text redacted-].

Estimated Savings: The provision for the student grant schemes for the 2011 financial year is some €386m. A full-year saving of that amount would be achieved only at the end of the phase-out period. In 2012, a saving in the order of €32m would be achieved.

Likely consequences: If the student grant schemes were to be discontinued entirely, the State would be eliminating the single most important financial support for students

whose families have limited means – which would inevitably result in a significant reduction in the number of students going to college – and it would have a catastrophic effect on the numbers of students from disadvantaged backgrounds and mature students attending further and higher education. This would also be directly contrary to national economic and social goals.

Already, the student grant budget has sustained substantial cutbacks to manage additional cost pressures arising from a significant increase in the number of students qualifying for grants, a proportionate increase in the number of students qualifying for higher rates of grants and payment of the Student Service Charge on behalf of grant-holders.

For example, since 2010, a 9% reduction in the overall rate of grant has been applied. For the 2011/12 academic year the qualifying distance criteria for students for the non-adjacent rate of grant is being changed from 24km to 45km and the automatic entitlement for mature students to the higher non-adjacent rate of grant is being removed. Taken with a 4% cut in the rate of grant for the 2011/12 academic year, the 2011 student grant allocation provides savings of some €22m in 2011 rising to €51m in 2014.

In addition the conditions relating to the Back to Education Allowance (BTEA) were changed in 2010 so that students on the BTEA no longer qualify for a student grant. This gave a €4m saving in 2010. A saving of €15m will accrue in 2011 which will rise to €35m in 2012.

Given the reduced ability of parents to provide support for students due to significant reductions in net income and the lack of available part-time jobs for students, it is likely that further cuts in the student grant provision will impact on students accessing or completing courses.

Option 2: Reduce the rates of grant

Estimated Savings:

Reduce rate of grant across the board by 1% - estimated saving €2.23m

Reduce rate of grant across the board by 5% - estimated saving €11.5m

Reduce rate of grant across the board by 10% - estimated saving €22.3m

Likely consequences: Rates of grant have already been reduced in the last two budgets, broadly in line with decreases in social welfare income supports (however, it is argued, from a much lower base), by a total of 9% since 2010 (5% in 2010 and 4% in 2011). In addition, in 2011 the automatic entitlement for mature students to a higher rate of grant was abolished and the qualifying distance criterion for the non-adjacent rate of grant was increased from 27km to 45km. The full year value accruing from the Budget 2011 measures is €51m.

In a climate where savings must be found, an across-the-board rate reduction could be viewed as the most equitable approach [-Text redacted-].

A further reduction in the grant rates could increase the level of drop out at a time when Government policy (through Springboard etc.) is to encourage as many people as possible to pursue or return to further and higher education. The level of the student grant, particularly at the standard rate, is generally regarded as insufficient to meet the maintenance costs of going to college without the addition of parental or partner support which is presumed as part of the overall provision. Given the relatively low income thresholds at which students may qualify for support, any reduction in the rate of grant would impact most severely on students from the least well off backgrounds and possibly even contribute to an increase in rates of dropout, which would negate the overall investment made by the State in relation to such students at third level.

Option 3: Abolish the Special Rate of Maintenance Grant

Estimated Savings:

Measure	2011 Saving	Full Year Saving
Abolish the Special Rate	€5.7m	€52m

Likely consequences: The 2001 report of the Action Group on Access to Third Level Education recommended the introduction of special rates of maintenance grants for disadvantaged students. The target group of "those most in need" was defined in terms of the dependants of people receiving long-term welfare payments, where the necessary conditions are fulfilled. The special rate of grant was introduced in 2001 and now over 22,000 students qualify this rate of grant. In the circumstances, and given both family circumstances and income, the participation level from this cohort of students could be expected to radically decrease if this measure was introduced. In addition, there would be no social welfare saving as those qualifying for the special rate of grant are already on a long-term social welfare payment. By removing the extra support provided by the special rate of grant to this cohort, a genuine second chance for a return education and on into employment would be withdrawn ultimately impacting negatively on the social welfare budget.

Option 4) Abolish Grants for Postgraduate Studies

Estimated Savings: The estimated saving is based on the 2009/2010 number of 6,776 students availing of student grants, both for maintenance and fees, to progress to postgraduate study (funding is not provided under the Free Fees Initiative for postgraduate tuition fees) and assuming an average postgraduate programme duration of 3 years. The saving is calculated on the basis that those students currently in the system would not be impacted by this measure.

Measure	2011 Saving	Full Year Saving
Abolish all PG funding	€6.m	€52m
Pay PG Fees only	€1.6m	€15m

Likely consequences: If the post-graduate grant support were to be discontinued entirely, this would be likely to result in a significant reduction in the number of less well-off students going on to study at post-graduate level. While there may be some justification for focusing existing scarce resources on supporting more disadvantaged students to access undergraduate provision, a complete abolition or very significant reduction in post-graduate funding would mean that society and the economy would

be unable to realise the full potential of less well-off students. This would also be directly contrary to national economic and social goals.

Option 5: Equalise Part-rates for Maintenance and Fees

Estimated Savings: This proposal would mean that where a student qualified, for example, for a 75%, 50% or 25% level of maintenance grant, a similar level of fees support only would be awarded. It is estimated that this measure would save €0.8m in 2011 if applied to first-year students only, or €7m in a full academic year when applying to all students.

Likely consequences: This proposal would seek to change the current funding regime, where a student, depending on the level of assessed income, may receive 100%, 75%, 50% or 25% maintenance support, but each level carries entitlement to full fee support where this is applicable. As most undergraduates qualify under the Free Fees Initiative, they do not claim fees under the grant schemes. However, at postgraduate level, over 70% of grant expenditure is on fees. This proposal would mean that where a student qualified, for example, for 50% maintenance, they would also receive only 50% fee support. While this would doubtless present issues for middle-income students in accessing post-graduate study, all those qualifying for 100% support would have 100% fees paid also. In addition, a maximum fee limit applies at present which can mean that very expensive courses are not fully provided for in any event.

This can be considered a sustainable proposal, as it will continue to provide support for fees for most qualifying post-graduate students and those on higher incomes will continue to receive a proportion of support. It will have very little impact on undergraduate study.

Option 6: Introduction of a capital assets test as part of the means testing regime

Estimated Savings: It is very difficult to accurately estimate what the potential saving from the introduction of a capital test might be. The saving would depend on the overall assets of the individual and the annual income value attributed to those assets or alternatively the capital limit to be applied if a dual test (income, then assets) were to be adopted. Assuming that about 10% of those eligible at present would be excluded by a capital test, it is tentatively estimated that a full-year saving of some €14 million might be achieved when the full cohort of students is assessed in this way. The saving in the initial year (new entrants only) might be in the region of €1.5 million. Implementation would be from 2013.

Likely consequences: Under the existing means test for student grants, only the income of the student and his/her parents (or spouse in the case of a mature student) is assessed. No account whatever is taken of the capital assets of those assessed. It would not be unreasonable to expect parents to use some of their wealth over a certain threshold to finance their children's education, since expenditure on education can be regarded as a capital investment which gives a significant return to the individual in enhanced earning capacity later in life.

In many cases, own account or self-employed people are in a position arrange their financial affairs in such a way that their children will qualify for a grant in the year of assessment. This can mean that relatively well-off people, who have access to significant assets, can show a low income for grants purposes. This can be done, for

example, by undertaking large expenditure items such as repairs in the year in question. In addition, some self-employed people carry on their business under the protection of a wholly owned limited liability company. The level of salary taken by the proprietor can be reduced or eliminated entirely in order to qualify for a grant, as the means test deals only with the income of the individual and not the company.

The introduction of a capital test would eliminate from State benefit those who are sufficiently wealthy to be able to pay their own education costs. An income test combined with a capital test would represent a more equitable measurement of a person's wealth. It is also important to note that, while capital assets are taken into consideration by the Department of Social Protection and the HSE in means testing clients for other State benefits, working farm and business assets are generally excluded on the basis that they are required to generate income.

The issue of a capital asset test for student grants is particularly sensitive for the farming and self-employed sectors, the latter having been badly hit in the current economic climate.

The introduction of a capital assets test will require amendment of the Student Support Act. Ideally, a centralised means test solution would address the need to reform the student grant means test. Some progress was made in this regard under Transforming Public Services. However, it is not clear how plans for this are proceeding. It is considered that given the complexities involved, a capital asset test for student grants would take at least two years to formulate and introduce.

Cash Limiting of the Student Grants Scheme

The argument has been previously made, by the Special Group on Public Service Numbers and Expenditure Programmes and by the Department of Public Expenditure and Reform, that a strict cash limit should be applied to the operation of the student grants schemes. Cash-limiting the schemes would require either making awards on a 'first-come first-served' basis until available funding is exhausted or dividing available funding by the total number of applicants. Neither approach is, however, feasible. The exclusion of eligible students on the sole grounds of a later processing of grant application would be unfair and widely challenged. Equally, the current economic climate renders it impossible to accurately predict the numbers of eligible students in advance. Accordingly, it is not possible to control the underlying drivers of demand for the student grant schemes simply by implementing definitive closing dates or by limiting awards according to eligible numbers. Similar considerations apply in respect of other schemes of income support in the wider Social Protection area and cash limiting such schemes has not been advanced for that reason. Cost reducing measures that can be implemented on a consistent basis for all applicants, such as rate reductions or changes in qualifying criteria, represent a more workable and fairer approach. Considerable savings measures are being implemented in the current year, including a 4% reduction in the rate of grant for all students from January this year and significant adjustments to the qualifying criteria for higher levels of grant that will come into operation from September 2011. Overall, the 2011 student grant allocation takes account of savings of some €22m in 2011 rising to €51m in 2014. The cost reducing options put forward under this expenditure review are in addition to these.

2) THIRD LEVEL ACCESS

FUND FOR STUDENTS WITH DISABILITIES (FSD), STUDENT ACCESS FUND (SAF)

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The FSD programme, which is part-funded by the European Social Fund, is administered by the National Access Office and disbursed through individual third level institutions. The current allocation is over €10m. It provides funding to both further and higher education institutions for the provision of services and supports for full-time students with disabilities. The programme plays a key role in supporting national policy and strategy on educational and social inclusion and labour market expansion. It applies to students who have serious sensory, mental health, physical and/or learning disabilities, including specific learning difficulties such as dyslexia. Funding is provided for a range of supports such as equipment, special materials, technological aids, targeted transport services, sign language assistance/interpreters, personal assistants and learning support.

The Student Assistance Fund, also part-funded by the European Social Fund, is administered by the National Access Office and disbursed through individual third level institutions. The current allocation is €5m. The objective of the fund is to assist students who, due to their financial circumstances, might not be able to continue their third level studies.

Both funds are administered by the National Access Office which was established as part of the Higher Education Authority in 2003. This office has an administration budget of €0.7m currently which covers pay costs and non-pay costs

PROGRAMME EFFECTIVENESS & EFFICIENCY

The supports provided under the FSD are key to the inclusion of students with disabilities in higher education. 4,964 students were supported through the fund in 2009/2010.

A specific target in the National Access Plan is that the number of students with sensory, physical and multiple disabilities in higher education will be doubled by 2013. It is expected that all four targets will be exceeded for the 2010-11 academic year.

Demand on the Student Assistance Fund remains high and it is not possible to facilitate all those who apply for funding. 7,681 students were supported in 2009/2010.

IDENTIFICATION OF SAVINGS OPTIONS

Fund for student with disabilities - cut fund by 20%. This would save €2.8m. This would mean that the per capita allocation would have to be decreased either across the boards or using a weighted approach depending on each disability type. This

potentially would have a serious impact on the number of students with disabilities taking up places in further and higher education and impact negatively on the progress made in this area.

Abolish National Access Office - The National Access Office was established as part of the Higher Education Authority in 2003 with the aim of co-ordinating and developing national policy and implementing funding measures facilitating greater educational access and opportunity for groups who are under-represented in higher education - those who are disadvantaged socially, economically and culturally, mature students and students with a disability.

3. SCHOLARSHIP PROGRAMMES

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The Department funds six third level scholarship schemes comprising:

- Three designed to recognise and reward achievement through the Irish language by awarding scholarships to the highest achievers among students who sit the Leaving Certificate through Irish. A total of 50 scholarships are awarded annually.
- One to commemorate each of the leaders of the 1916 rising – the Easter Week Scholarships. Seven scholarships are awarded annually on a merit basis, related to achievement in different combinations of subjects in the Leaving Certificate.
- One to commemorate Donogh O'Malley. 16 regional scholarships are awarded annually on a combined disadvantage/merit basis.
- Under an international convention, Ireland contributes to the running costs of the European University Institute (EUI) and funds four postgraduate scholarships for Irish students annually. The EUI provides advanced academic training to doctoral researchers and promotes research from a European perspective.

PROGRAMME EFFECTIVENESS & EFFICIENCY

The Donogh O'Malley, 1916 Scholarships and the EUI scholarships have a full take-up rate. EUI scholarships also have a full take up rate.

There is an on-going issue in relation to the take-up of the Teoranta Scheme because one of the conditions is that a successful candidate must be taking all subjects through Irish at third level and there are now very few opportunities to do this.

IDENTIFICATION OF SAVINGS OPTIONS

Discontinue all or some of the scholarships

Amalgamate the three Irish scholarship schemes. Reduce the overall number of Irish scholarships from 50 to 20 and open up the scheme to all students on the basis of pursuing some level of studies through Irish at third level rather than simply acknowledging previous academic attainment in the language. Estimated saving in 2012 is some €86,000 rising to some €400,000 in 2014.

Programme 9. Commission to Inquire into Child Abuse, Residential Institutions Redress Board

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

Body	Headcount	WTEs
RIRB	29	28.5
CICA	3	3
Total	42	37.9

Notes

Other Employments involved:

RIRB: Chairman (serving High Court Judge) + 10 Board members on per diem rates

6 Legal Advisors on per diem rate + 1 Medical Advisor on per file rate

Review Committee: Chairman (retired Judge on abated salary) + 4 Members on per diem rate

In addition to the public service staff employed, a number of contract/agency staff are employed by CICA, the RIRB, the associated Review Committee operating under the Residential Institutions Redress Act, 2001 and Barnardos.

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The Programme is part of the State's response to residential institutional child abuse.

The Commission to Inquire into Child Abuse (CICA) was established² to allow victims of abuse tell of the abuse they suffered; to establish a comprehensive view of the causes, nature and extent of abuse and to compile and publish a report on its activities, findings and recommendations. The CICA published its report (The Ryan Report) in May, 2009.

The independent Residential Institutions Redress Board (RIRB) provides fair and reasonable awards to victims of institutional childhood abuse pursuant to the Residential Institutions Redress Act, 2002. The Review Committee is an appeals mechanism, which operates pursuant to the Redress Act, 2002.

A family tracing service was established to assist former residents trace their families of origin, while funding has been provided to a number of survivor groups which were formed to represent and promote the interests of former residents of institutions, to assist the groups provide information and referral services to former residents wishing to access the RIRB or CICA.

Educational services³ are also provided for former residents from money provided by the congregations as part of their €128m contribution under the 2002 Indemnity Agreement. The State also established a National Counselling Service to assist victims cope with their experiences, which operates under the auspices of the HSE.

² Initially on a non-statutory basis and subsequently on a statutory basis on 23rd May 2000 pursuant to the Commission to Inquire into Child Abuse Act, 2000.

³ These educational services for former residents and their families are available through the Education Finance Board, which was established on a statutory basis under the Commission to Inquire into Child Abuse (Amendment) Act, 2005 and was formally established on 17th February 2006. The fund is managed by the National Treasury Management Agency

The Government announced its full acceptance of the Ryan Report's recommendations in May 2009 and published an Implementation Plan in July 2009. This Programme funds the Family Tracing Service which the Ryan Report recommended should be continued and it meets the expenses of the Memorial Committee established to pursue the erection of a memorial to the victims of abuse as recommended by the Report.

PROGRAMME EFFECTIVENESS & EFFICIENCY

By the end of 2010 the RIRB had processed 14,388 applications (including 487 allowed late applications), resulting in 13,488 awards and 900 cases being withdrawn/refused or finalised with no award. The overall cost of the redress scheme had been estimated at €1.1bn and actual expenditure reached €1.05bn at end 2010. At end 2010, there were 547 applications to be processed and 538 late submissions to be considered and legal costs to be processed in 1,290 cases. By 31 July 2011 a further 333 late applications had been received.

The recently enacted Residential Institutions Redress (Amendment) Act, 2011, removes the power of the Residential Institution Redress Board to accept late applications received on or after the 17th of September 2011. The Redress Board will continue to consider the remaining applications before it and will consider late applications received prior to 17th September 2011. The setting of a closing date for receipt of late applications, will facilitate the agreement of a timetable for the winding-up of the Board.

At end 2010, the expenditure on CICA amounted to €65.2m. CICA is currently settling its third party legal representation costs and making arrangements for the custody or disposal of its documents, in accordance with the legislative provisions. CICA estimates that an additional provision in the region of €30-€35 million may be required to meet remaining third party legal costs. It is a tentative provision, given that CICA has yet to receive and assess a large volume of third party legal costs. In this context, CICA has set a deadline of 28th October, 2011 for submission of fees for legal representation.

In 2010, the Department allocated funding to 7 Survivor Groups based in Ireland and 4 outreach services in the UK, together with the Federation of Irish Societies. The purpose for which they were established is nearing completion and it is envisaged that the needs of survivors into the future will be dealt with in the context of the proposed Statutory Fund.⁴

⁴ Following publication of the Ryan Report in May 2009, the Government and Dáil Éireann called on the Congregations to commit to making further substantial contributions by way of reparation. In response the Congregations offered additional contributions, including cash and various property transfer proposals. In April 2010, the then Government announced its intention to utilise the cash element of €110m of the congregations' offers of contributions, to establish a Statutory Fund to support the needs of survivors of residential institutional child abuse. To date €20.6m has been received and placed in a special interest bearing account in the Central Bank pending the establishment of the Statutory Fund. Proposals for the Statutory Fund and a General Scheme of a Bill have been circulated in a Draft memorandum for Government.

The Origins Family Tracing Service, operated by Barnardos, is a dedicated and customised service for former residents wishing to trace family members with whom they have lost contact. The Service currently operates out of 3 Barnardos offices in Dublin, Cork and Galway and the arrangements for the service are currently under review.

The RIRB had identified and notified the PAS of 5 staff (4.5wtes) for redeployment in April 2011. Arrangements for these staff to be redeployed are yet to be finalised.

The staffing in CICA has been reduced considerably and CICA considers that the current staffing is at an absolute minimum level.

IDENTIFICATION OF SAVINGS OPTIONS/COST CONTAINMENT

MEASURE

The recent enactment of the Residential Institutions Redress (Amendment) Act 2011 will facilitate the winding-up of the Redress Board.

Programme 10. Department Staff & Administrative Costs, (including Inspectorate and National Educational Psychological Service).

10.1 DEPT STAFF AND ADMINISTRATIVE COSTS INCLUDING INSPECTORATE

PROGRAMME EXPENDITURE:

€65 million

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

1,073 WTE including 130 Inspectors

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The overall objective of the programme is to provide the staffing, funding and administrative supports for implementation of the Department's programmes, as detailed in this review.

The Inspectorate has statutory responsibility for the evaluation of primary and post-primary schools and centres for education in accordance with Section 13 of the *Education Act 1998*. Its core activities of inspection in schools, advice on educational provision and contributing to policy development are central to the Department's statement of strategy on quality assurance of the education system.

External evaluation by the Inspectorate helps to ensure improvements in the quality of educational provision in schools and centres for education by providing an essential accountability measure within the system through inspection of schools and other centres for education. Currently, the Inspectorate is engaged in major reforms of its work which will provide a range of inspection approaches (ranging from short to more intensive evaluations) complemented by robust self-evaluation in schools. The Inspectorate also undertakes national evaluation tasks that feed into evidence-based value-for-money reviews and system improvement, such as the current review of small schools and the evaluation of DEIS.

Staff from the Schools Division of the Department and the Inspectorate work closely in the Schools Improvement Group which has developed and oversees targeted interventions in seriously under-performing schools. The implementation of significant aspects of the Government's Literacy and Numeracy Strategy will require significant Inspectorate involvement as part of Departmental delivery.

PROGRAMME EFFECTIVENESS & EFFICIENCY

The Administrative Budget Agreement commits the Department to reducing running costs by improving efficiency, effectiveness and economy in the management of the Department. Significant efficiencies have been achieved across various elements of the programme in recent years, including travel and subsistence, post & telecommunication, consultancy and procurement.

The work of the Inspectorate is focussed on outputs in schools including the quality of teaching delivered and the quality of student learning outcomes. It has adopted wide-ranging changes to its work so as to increase effectiveness and efficiency. These changes have included developing a number of new, short inspection models and revising extensively existing models of inspection so as to deliver front-line inspection and advisory services in schools with significantly decreased human resources. By using large numbers of unannounced inspections and shorter inspection models, the Inspectorate has, so far, been able to deploy inspectors in schools in proportion to risk and hence limit the use of more intensive inspections to situations where there is a greater risk to the quality of learning outcomes. The Inspectorate has identified a proportion of schools in which very serious weaknesses exist in leadership, teaching or learning and has worked with staff from the Department's Schools Division to ensure the implementation of follow-up measures and inspections. Significant improvement has been reported in many of these schools while others follow-up measures continue with others. Concurrently, the Inspectorate, as part of the Programme for Government and in line with the Government's Literacy and Numeracy Strategy, is leading the development of robust self-evaluation mechanisms in schools. Schools will develop school improvement plans in line with materials provided by the Inspectorate. Over time, this self-evaluation, complemented by external evaluation, will provide an enhanced quality assurance for the school system.

IDENTIFICATION OF SAVINGS OPTIONS

Securing significant further savings on the administrative budget will have to have regard to the need for the staff of the Department to continue to deliver a high quality core service. Existing salaries allocations for years to 2014 already take account of reductions in numbers arising from application of the Employment Control Framework. Mainly because inspectors are recruited at a mid-point in their career, the age structure of the Inspectorate has meant that the moratorium on public service recruitment already has had a disproportionate impact on the staffing of the Inspectorate where staffing levels have fallen significantly.

Savings in the Department's overall staff and administrative budget in the order of €650,000 can be secured through further expenditure reductions in training, overtime, telecommunications and office machinery and supplies. There may also be scope for further savings in the rationalisation of office accommodation. Staff are based in office locations around the country, and, in some cases, share accommodation with other education services such as NEPS, NEWB staff, etc. There may be potential to achieve savings in accommodation costs borne by the OPW through a cross-agency review of current accommodation requirements.

The Department is also examining the migration of its staff payroll to a shared services platform and in this regard has met with officials from the Department of Finance PMG Division and from the Financial Shared Services Division of the Department of Justice and Law Reform, both of whom offer shared services facilities. Discussions have also been held with the Centre for Management and Organisation Development in this matter. It is expected that there will be some staff savings arising from this initiative but these will be required to deliver on the required reductions in staff numbers under the ECF.

10.2. National Educational Psychological Service

PROGRAMME EXPENDITURE:

€18.629m - €16.459m pay, €2.170m N/Pay

PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

175 Psychologists (168.5 WTE)

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

NEPS was established in 1999 to support the social and educational development of first and second level pupils through the application of psychological theory and practice in education, having particular regard for pupils with special educational needs (SEN). The service is provided predominantly by the allocation of a NEPS psychologist directly to each school (currently to 82% of schools and 90% of pupils) or where no staff are available by allowing school authorities access to a panel of private psychologists maintained and paid for by NEPS under the Scheme for Commissioning Psychological Assessment (SCPA).

The purpose of the service is to:

- provide a range of supports to teachers in identifying the cause of pupils' learning, behavioural, social or emotional difficulties and in putting in place suitable interventions to ameliorate difficulties identified;
- support parents in understanding their child's needs and in working with the school to meet those needs;
- assess the needs of pupils with significant difficulties and advise teachers and parents on suitable interventions;
- work with schools in the event of crises, e.g. threatened exclusion of a pupil or a traumatic event involving pupils or staff.

The NEPS Model of Service divides the work of the psychologist into two areas: Casework and Support & Development (S&D) work. Casework involves intervening

with individual pupils with significant need and with their teachers and parents. This includes assessment of particular needs and supporting teachers and parents in drawing up targeted educational plans to meet those needs. Support and Development work involves advising and up-skilling teachers in the use of strategies to prevent pupil difficulties and/or to ameliorate difficulties of varying degrees of severity at group, class or individual level.

NEPS also provides support to the State Examinations Commission in vetting applications for reasonable accommodations for the Leaving Certificate. This is a function which draws considerable time resources from the service, to the detriment of normal support to these schools.

It also provides a structure and direct advisory cover for schools experiencing critical incidents (trauma which adversely effect the operation of the school). More recently NEPS has had considerable input to the development of a mental health policy for the schools system, an area it sees as having both a policy and direct support input.

On the matter as to whether the system could survive in the absence of the service provided, it is important to maintain its presence in schools if the Department is to optimise its investment in school personnel and resources generally and in relation to special needs in particular. Access to NEPS psychologists at school level has in the past, and will in the future focus schools on effective use of resources and on maximising outcomes for pupils with SEN. In the context of possibly diminishing resources in the current financial strictures, NEPS will be needed to use psychology to maintain the solution oriented focus within the context of whatever resources are available to the school.

Current psychologist numbers stand at 175 (wte 168.5). Under the current Programme for Government an undertaking has been given to increase Psychologist numbers to 210 to allow for the expansion of service to all ordinary schools, special schools and units. Current resourcing does not include provision for this activity nor is it clear as to when such expansion could be commenced.

PROGRAMME EFFECTIVENESS & EFFICIENCY

NEPS allocates its psychologists to schools on the basis of a 1: 5,000 pupil ratio, meaning that each whole-time psychologist is responsible for between 20 and 40 schools, normally a mix of primary and post-primary.

In a survey of 600 schools conducted by the Education Research Centre in 2007 and reported upon in Sept 2008 the satisfaction rating (very satisfied or satisfied) across all schools was at 68%. Main reasons for non-satisfaction were predominantly lack of psychologist time available to schools or low number of assessments conducted. Across a range of questions relating to quality of service, clarity of reports recommendation and interventions, communication with staff and parents and delivery of support and development to staff satisfaction ratings were consistently up to and in excess of 80%.

NEPS business planning at local, regional and national level is focussed on providing a consistent range of basic services to schools. NEPS has focussed particularly in the past three years in maximising direct contact time between psychologist and school and in this regard has produced a 5% increase thereof, reducing in turn time spent at regional or national meetings. More recently management has been focussed on maximising psychologist allocations to the limits set out above although it must be stressed that these limits are already high by international standards and increasing them only decreases and dilutes effectiveness in schools.

Some efficiencies could be achieved over time if the Reasonable Accommodation in Certificate Examinations (RACE) scheme was reformed. Overall this scheme uses the equivalent of 5 to 8 psychologists per year.

The use of the SCPA assessment service in conjunction with the assignment of a NEPS psychologist to schools is currently being examined. However the SCPA tends to focus on assessments to access teaching and SNA resources, whereas NEPS promotes a staged approach which does not necessarily involve additional resources. NEPS support for schools also enables schools to maximise outputs from their teaching resources.

NEPS has invested a lot of time and effort in developing and agreeing protocols for co-operation with agencies operating in the field of special needs (National Council for Special Education (NCSE), HSE, NEWB, Special Education Support Service (SESS)) to ensure clear roles, responsibilities and understanding of respective processes and functions. These protocols are being utilised at local, regional and national level to ensure efficient melding of service and resource utilisation

IDENTIFICATION OF SAVINGS OPTIONS

The NEPS annual budget stands at €18.629m. (€16.459m. pay and €2.175m. non-pay). The pay element includes a provision of some €15m in respect of 178 psychologists, €1m in administrative staff pay and some €0.5m to fund the SCPA. NEPS maintains a regional structure of 22 local offices countrywide and provides within its non-pay budget for all associated costs thereof. Additionally it funds T&S for staff engagement in schools, staff training (CPD), translation / interpretation services for assessments, professional membership fees and psychometric test kits and instruments for staff. A number of the main cost items have already undergone reduction in the past two year including security costs, T&S through the general rate reduction and mobile telecommunication costs.

A reduction in NEPS staffing levels is not advised given the number of schools without a proper educational psychological service. In any case savings could only be made on the basis of retirements which average 4 per year. It also would be contrary the Programme for Government undertaking to expand NEPS numbers to 210, some 32 above the existing sanctioned level.

Programme 11. International & North/South

PROGRAMME EXPENDITURE:

North/South €3.35m	International Section €3.8
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PUBLIC SERVICE NUMBERS FOR PROGRAMME:

(Excludes Department staff who are included under Programme 10)

There are 22 staff in Léargas

PROGRAMME RATIONALE, OBJECTIVES, RELEVANCE

The North/South part of this programme covers the development and coordination of co-operation and common action in the field of education between both parts of the island of Ireland, in the context of the Good Friday Agreement, including a range of programmes/projects and joint initiatives designed to increase mutual understanding and promote closer co-operation. The programme also includes the George Mitchell Scholarship.

Under the terms of the George Mitchell Scholarship Fund (Amendment) Act 2010, DES is obliged to pay a maximum of €4,000,000 per annum up to a maximum total of €20,000,000 in respect of the George Mitchell Scholarship Fund (GMSF). This expenditure is subject to the US Ireland Alliance securing matching funding. The first tranche of payments (totalling €1,493,507) was made by the Department in respect of the GMSF in 2010.

On the international element this covers Ireland's participation in education and training co-operation within the EU (as required by EU Treaties) and in the work of other international organisations e.g. OECD, UNESCO and Council of Europe. It also supports Irish participation in the EU's Lifelong Learning Programme (LLP) and co-ordinates national efforts to promote Ireland as a centre for international education;

PROGRAMME EFFECTIVENESS & EFFICIENCY

Evidence re delivery/outcomes achieved from the programme/expenditure:

EU co-operation/LLP: 2,000 Irish students undertake an Erasmus year abroad annually and some 300 projects (including partnership and transfer of innovation projects, placements, twinning-related projects, study visits etc.), involving over 2,000 Irish participants are funded under the LLP. Studies by the European Commission have demonstrated the value of the programme in providing learners with a period of study in another country, including in relation to subsequent access to the labour market.

Promoting Ireland as a centre for international education: Ireland puts considerably fewer resources into promoting international education than any of our competitors. Feedback from the sector (and from international partners) on these new

initiatives has been positive, and earnings from international education are expected to be up in 2011.

UNESCO: In addition to the global impact of UNESCO's work, Ireland also gains from our membership of UNESCO – e.g. tourism and reputational benefits from UNESCO World Heritage sites and the recent designation of Dublin as a UNESCO City of Literature.

Cost trends/efficiencies already achieved/potential further economies:

In overall terms EU activities (particularly LLP participation) absorbs about one-third of programme expenditure, our UNESCO contribution absorbs a further third and activities related to our Internationalisation Strategy absorb more than 50% of the final third.

EU co-operation/LLP: The cost of our EU-related activities has remained broadly constant in recent years. The Department's contribution to the operational costs of Léargas in fulfilling its national agency role under the LLP, constitutes about 85% of our expenditure on EU co-operation. Strict EU rules governing the staffing and funding of the agencies, as well as separation of duties limit the degree to which further cuts can be applied and the Commission have already signalled the need for the Department to ensure that the staffing levels necessary to operate the LLP are maintained in this context. Some scope for savings on the salary front may be possible

- **Promoting Ireland as a centre for international education:** Significant streamlining, reform and cost-reduction has taken place over the past 3 years, including the closure of two small agencies.

- **UNESCO:** There is no scope for reducing the cost of our annual contribution.

IDENTIFICATION OF SAVINGS OPTIONS

Mitchell Scholarship (€2m)

The Mitchell Scholarships programme is governed by legislation and is effectively a contractual matter as it stands presently.

International/EU (€3.8m)

There is no scope to alter the UNESCO (€1.21m) membership fee short of leaving.

Reduce allocations for foreign travel and general international activities: A 20% top-slicing in foreign travel and international activities (conferences etc.) would yield a saving of €95k per annum.

Reduce allocation to Léargas: The EU maintains strict requirements on operation of the LLP by national bodies, which limits the degree to which Léargas can be subjected to further cuts [-Text redacted-]. We could opt to reduce funding to Léargas in the context of the CER, attaching a condition to provide that costs should be reduced in a way which would ensure no impact on ongoing operation of the LLP. [-Text redacted-]

SECTION 3

Non-Commercial State Agencies and other bodies under the aegis of the Department

As part of this review the role of Non-Commercial State Agencies (NCSAs) and other bodies under the aegis of the Department of Education and Skills was examined, including the potential for rationalisation and savings in relation to the bodies and their activities. These matters were also considered in the context of the 2009 report of the Special Group on Public Service Numbers and Expenditure Programmes. This section provides information in relation to the range of the Department's aegis bodies, including restructuring and rationalisation activity that has occurred, in addition to details of further planned rationalisation activity. Details regarding aegis bodies are also contained in the sections of this report reviewing individual programme areas.

It should be noted in general that the financial allocations to bodies operating under the aegis of the Department have been curtailed in recent years, reflecting the requirement to secure overall savings on the Education and Skills Vote. This has required the bodies to prioritise their activities and to secure efficiencies in their operations. The bodies are also required, under the Employment Control Framework 2010-2014, to secure significant reductions in their staff numbers.

The Department has been active in identifying and implementing rationalisation measures across aegis bodies and agencies, with a number of rationalisations taking place in recent years that have delivered savings and other efficiencies. These include: the closure of St. Catherine's College of Education for Home Economics; closure of Integrate Ireland Language and Training; abolition of the Education Disadvantage Committee; disbandment of the National Adult Learning Council; closure of the Centre for Early Childhood Development & Education; transfer of the functions of the Advisory Council for English Language Schools in Ireland to the National Qualifications Authority of Ireland; and transfer of the functions of the International Education Board Ireland to Enterprise Ireland and the Higher Education Authority.

The experience of the Department from the above is that implementation of rationalisations is a resource intensive activity, with a requirement for significant management involvement at all stages, even in cases where the ultimate financial saving has been relatively small. Such structural change can also disrupt service delivery. Indeed, experts in public service reform in Canada and the UK advise that given the organisational cost of such change it is better to organise change within existing structures, where possible. Given current limited resources it is, therefore, particularly necessary when considering further consolidation and rationalisation measures to bear in mind the capacity of management to successfully implement organisational change and to focus it on areas where there will be significant benefit. The Department in the period ahead will be required to prioritise such change activity in order for it to be effectively managed. The current priorities in this regard include a very significant rationalisation of the VEC infrastructure, establishment of the new SOLAS agency in place of FAS, merger of the National Qualifications Authority of Ireland, the Higher Education and Training Awards Council and the Further Education and Training Awards Council, rationalisation of the range of higher education programmes and the institutions providing them as recommended in the

Higher Education Strategy, and the centralisation of student grants administration. Further details of these and other planned measures are set out below.

Planned restructuring and rationalisation measures

A number of measures to restructure or rationalise aegis bodies are planned or in progress. These measures, designed to ensure delivery on a more cost effective basis and to improve programme efficiency, are summarised below.

- Rationalisation of VEC structures. The number of VECs will be reduced from 33 to 16, based on a revised configuration announced by the Government in June 2011. This reorganisation will facilitate the development of a more effective service and giving rise to anticipated savings of €3m in the medium term. The development of a single payroll service for VECs is also being progressed.
- The disbandment of FAS and the establishment of the new Further Education and Training Authority. The new authority, SOLAS will address the issue of the rationalisation of programme provision in the context of the needs of learners, including jobseekers, and businesses. In rationalising existing provision, SOLAS will ensure that programmes are more flexible and responsive to jobseekers and enterprise needs. This development will also, over time, reduce costs through lower management and administration costs and the elimination of programme duplication.
- The merger of the National Qualifications Authority of Ireland, the Higher Education and Training Awards Council and the Further Education and Training Awards Council. The new amalgamated body will also take responsibility for the external quality assurance of universities, which is currently carried out by Irish Universities Quality Board (IUQB). The Qualifications and Quality Assurance (Education and Training) Bill was published in July 2011 and will be introduced in the Seanad in the autumn session. The bodies in question have already delivered very significant savings since the original announcement of the amalgamation in October 2008; the bodies' exchequer allocation for current expenditure in 2011 is approximately 30% lower than outturn in 2008. The amalgamation will deliver further annual savings of approximately €1m.
- The centralisation from 2012 of student grants administration. This is an important development in reforming the system of student grants to ensure that greater efficiencies and value for money are obtained. A unified grants scheme is consolidating the existing four schemes into a single scheme, while a single grant awarding authority (CDVEC) will replace the existing 66 different awarding authorities.
- The merger of the executives of the Irish Research Council for Humanities and Social Sciences (IRCHSS) and the Irish Research Council for Science, Engineering and Technology (IRCSET). The councils will be merged under a single Director. While the financial saving will not be very significant the merger will give rise to efficiency gains.
- The National Centre for Technology in Education (NCTE) is a school-facing support service with a heavy operational emphasis. Following consideration of the issues involved, and in the context of the Programme for Government, it was

decided that the school-focussed functions of the NCTE be integrated with other support services (i.e. PDST) for teachers and schools based in Dublin West Education Centre and certain functions relating to curriculum development be transferred to the NCCA. The NCTE will therefore cease to be a separate entity from this month. The new configuration will ensure greater integration of ICT within teaching and learning both in terms of policy and practice and give rise to synergies to the integration of ICT into teaching and learning.

- A value for money study is underway in relation to the 594 small primary schools in the country, with a view to identifying the potential for improving efficiency and effectiveness in this area. However, work undertaken in the context of this review does identify options securing potential savings in small schools, relating to the staffing schedules in such schools and minimum enrolment thresholds for receipt of capitation payments. In both cases it is suggested that a sufficient lead-in period would be required before these measures could be implemented.

Other bodies examined under the Comprehensive Expenditure Review

The operations and costs of the remaining NCSAs and aegis bodies of the Department were also examined in the context of this review. Summary details of this consideration are provided below.

State Examinations Commission (SEC)

The SEC was established by statutory order in March 2003. The Commission assumed responsibility for the operation of the State Certificate Examinations from the Department of Education and Skills from 2003 onwards. The organisation is staffed by civil servants and there are five Commissioners appointed by the Minister for Education and Skills.

The Commission is responsible for the operation of all aspects of the established Leaving Certificate, Leaving Certificate Vocational Programme, Leaving Certificate Applied and Junior Certificate Examinations including written, oral, aural and practical components and assessed course work in some subjects. Two million components are examined annually. The Commission also organise certain trade and professional examinations. The individual functions involved in the operation of the examinations include:

- Preparing examination papers and other examination materials.
- Determining procedures for the conduct and supervision of examinations.
- Recruiting contract staff to draft and mark examination components and to superintend at the examinations.
- Arranging for marking of work presented for assessment and examinations.
- Issuing the results of examinations.
- Determining procedures to enable the review and appeal of results of examinations at the request of candidates.
- Charging and collecting fees for examinations.
- Designating places where examinations may be held.

Funding

	2010 Outturn	2011 Allocation
Pay	€45.57m	€45.15m
Non-Pay	€8.7m	€9.15m
Total	€54.28m	€54.3m

Pay includes payment of superintendents and examiners.

Staffing Numbers

2011	2012	2013	2014
156	155	154	152

These staffing levels would be supplemented by the appointment of temporary staff during the period of the examinations.

Potential for rationalisation

The establishment of the State Examinations Commission arose from a recommendation in the Cromien Report (2000) which was of the view that the running of the examinations is not core work of the Civil Service and does not fit easily into it. The Report recommended the establishment of a specialist body outside the Department to manage the State Examinations as is the case in many other countries. This rationale is still considered valid.

Higher Education Authority (HEA)

Role/Functions

The HEA was established as a statutory body in 1971 and is responsible for the allocation of exchequer funding in the higher education sector. It also manages a range of funding programmes that are allocated strategically and support the delivery of higher education policy goals. The 1971 Act confers on the HEA functions in relation to the development of higher education, co-ordinating investment, promoting an appreciation of higher education, promoting equality of opportunity and democratisation of higher education. The Universities Act 1997 assigned specific functions to the authority in relation to the review of strategic development plans, quality assurance procedures, equality policy and financial/personnel management. The HEA also has an important role as adviser to the Minister and in assessing the financial needs of the sector and individual institutions.

Funding

	2010 Outturn	2011 Allocation
Pay/Pensions	€3.85m	€3.925m
Non-Pay	€1.65m	€1.66m
Total	€5.5m	€5.58

Staffing Numbers (includes IRCHSS and IRCSET)

2011	2012	2013	2014
61	60	59	58

Potential for rationalisation

The Report of the Special Group on Public Sector Numbers considered that the HEA should be merged with the Department of Education and Science to generate efficiencies in staffing and administrative expenditure. The Group envisaged savings of €1m.

More recently the Higher Education Strategy to 2030 makes specific recommendations in relation to system oversight and delivery responsibilities to provide necessary leadership, governance and quality controls for successful implementation of strategy objectives. It recommends clear responsibilities and structures for developing national priorities for higher education and overseeing their implementation, distinguishing the oversight responsibilities of the Minister and Department from the delegated implementation responsibilities of the HEA. It makes the case for retaining a reformed Higher Education Authority as an intermediary between the Minister and institutions in ensuring delivery on national priorities and recommends changes in the role and responsibilities of the HEA for this purpose as well as changes in the size and composition of the HEA Board and a review of its executive structures to ensure that it has the appropriate capacity and skills-set for its role.

It is this Departments' view that the retention of the HEA and development of its role is an important element of overall plans for delivering on the higher education strategy. Responsibility for the management of certain third level capital funding programmes has recently transferred from the Department to the HEA and a memorandum of understanding is being agreed between the Department and HEA to ensure maximum clarity of delivery and accountability requirements. A detailed overall implementation plan for the higher education strategy is in place, setting out timelines for the development of new HEA activities, including in respect of a developing process of Strategic Dialogue, strengthened institutional performance accountability and new funding arrangements.

National Council for Curriculum and Assessment (NCCA)

Role/Functions

The NCCA, established on a statutory basis in 2001, has a statutory role under the Education Act to advise the Minister for Education and Skills on curriculum and assessment issues in early childhood, primary and second level settings. Its role includes research, consultation with stakeholders, review, and curriculum development. A major programme of work for the NCCA is envisaged in regard to the National Literacy and Numeracy Strategy, and the reform of junior and senior cycles.

Funding

	2010 Outturn	2011 Allocation
Pay	€1.862m	€1.862m
Non-Pay	€1.975m	€1.950m
Total	€3.837m	€3.812m

Staffing Numbers

2011	2012	2013	2014
27	26	26	26

Potential for rationalisation

In the context of the current curricular reform agenda being pursued, it is desirable that a body exists capable of providing researched, independent and robust advice in relation to the modality and scope of syllabus changes required to improve outcomes. Further, merger of the NCCA with another body (either, for instance the DES or the SEC), would bring with it the real risk that the curriculum function would lose focus and become downgraded in the context of the work of another body. Given that the curriculum change on the scale envisaged is long term, systemic and vital to improving quality in the system, it is essential that the NCCA remain independent standalone, and focussed.

National Council for Special Education (NCSE)

Role/Functions

The NCSE was set up in December 2003 to improve the delivery of education services to persons with special educational needs arising from disabilities with particular emphasis on children.

The general functions of the Council as set out in the EPSEN Act include planning and co-ordinating provision of education and support services to children with special educational needs, assessing and reviewing resources required by children with special educational needs, ensuring that progress of students with special educational needs is monitored and reviewed and advising the Minister on matters relating to special education. In addition the Council has specific functions in relation to the core provisions of the EPSEN Act such as assessment and individual education plans.

Funding

	2010 Outturn	2011 Allocation
Pay/Pensions	€6.03m	€6.93m
Non-Pay	€2.18m	€2.08m
Total	€8.21m	€9.01m

Staffing Numbers

2011	2012	2013	2014
107	105	103	102

Potential for rationalisation

The Report of the Special Group on Public Service Numbers and Expenditure Programmes considered that the NCSE should be subsumed into DES to achieve efficiencies in back office costs of approx €0.3m a year and to allow for a closer co-ordination of its work with the NEPS. There is considerable merit in the operational allocation of resources on the ground being separate from the Minister and Department in terms of client perceptions.

The role of the NCSE in the allocation of SNAs is even more critical in the context of the cap on SNA numbers announced in Budget 2011 and the decisions that will be required in the allocation of a finite number of resources in an area of increasing demand. In addition, the NCSE has an independent policy advisory role which is valued by the Sector.

There have been criticisms recently in relation to the non-implementation of the EPSEN Act and any decision to amalgamate the NCSE into the Department could be regarded publicly as a further downgrading of special needs. In addition given that the services have to be delivered there would be considerable disruption for a very small saving in some headquarters costs

Skillnets

Role/Functions

Skillnets is an enterprise-led body set up in 1999 to provide companies with new opportunities to develop relevant, effective answers to their training and development needs. Skillnets Ltd's Training Networks Programme (TNP) involves groups of three or more companies operating in the same industrial sector or geographical area cooperate as a group to provide training which individual companies would be unable to undertake acting alone.

Skillnets networks arrange training courses for their member companies in subjects as diverse as workplace safety, assertiveness, office and IT skills, management development, sales and specific technical skills. Member companies operate in industries such as agriculture, design, technology, construction, food & drink, hospitality, manufacturing, space, radio, renewable energy, responsible tourism, restaurants and childcare amongst others

Skillnets is funded from the National Training Fund. It currently has 19 staff.

In 2010 over 37,200 trainees availed of just over 178,700 training days through the Skillnets TNP. Skillnets also administers a specific training networks programme entitled "Finuas" which provides its TNP services to the International Financial Services sector. Since mid-2009 some 2,730 persons have been trained through the Finuas programme across 22,643 training days.

The Board of Skillnets encompasses 13 members: 7 business employer representatives, 3 employee representatives and 3 nominees of the Minister for Education and Skills.

A new mandate and funding agreement signed in early 2011 between Skillnets and the Department of Education and Skills focuses on the following themes:

- Facilitating the transferability of individuals' skills to increase mobility and employability across mixed sector/regional networks
- Enhancing the general competency skills of the lifelong learner.
- Facilitating increased performance and growth in priority sectors.

Funding

2010 Outturn	2011 Allocation
€14.33m	€14.5m

Potential for rationalisation

- A new mandate and funding agreement was signed with Skillnets in early 2011 replacing the previous mandate which expired at end of 2010.
- The new mandate takes account of the additional focus on an element of training for the unemployed, new strategic areas of emphasis, the further reduction of administration costs, corporate governance and various technical matters. Whilst primarily focused on training the employed which is aimed at maintaining and increasing national competitiveness the current challenging financial climate has shifted focus generally to the unemployed.
- Skillnets has been set a target in 2011 of training 40,000 persons of whom 8,000 are unemployed or part-time workers

National Education Welfare Board (NEWB)

Role/Functions

Responsibility for the NEWB was transferred to the Department of Health and Children with effect from June 2011 following the transfer of certain functions to that Department from the Department of Education and Skills. However, a significant integration of activity involving the board has taken place in recent years, with the aim of providing more effective services for children who have difficulties participating in school. This involved the extension of the remit of the board to include responsibility for three other education services - the Home School Community Liaison (HSCL) Programme, the School Completion Programme (SCP), the Visiting Teachers Service for Travellers (VTST) as well as the Education Welfare Service (EWS). The new integrated service also facilitates improved engagement with other agencies and services working with children and families; more effective policy making with an increased emphasis on planning, outcome measurement and the gathering of evidence on the impact of interventions.

Funding

	2010 Outturn	2011 Allocation
	€8.695m	€9.731m

Staffing Numbers

2011	2012	2013	2014
110	109	108	106

Commission to Inquire into Child Abuse, Residential Institutions Redress Board

Role/Functions

The Commission to Inquire into Child Abuse (CICA) published its report (The Ryan Report) in May, 2009. CICA is currently settling its third party legal representation costs and making arrangements for the custody or disposal of its documents, in accordance with the legislative provisions.

The independent Residential Institutions Redress Board (RIRB) provides fair and reasonable awards to victims of institutional childhood abuse pursuant to the Residential Institutions Redress Act, 2002. The Review Committee is an appeals mechanism, which operates pursuant to the Redress Act, 2002.

Funding

	2010 Outturn	2011 Allocation
CICA	€2.26m	€12.99m
RIRB	€43.19m	€45.0m

Staffing Numbers

Body	2010	2011	2012	2013	2014
CICA	3	3	3	3	3
RIRB	27	14	13	5	0

Potential for rationalisation

RIRB

By the end of 2010 the RIRB had processed 14,388 applications and had 547 applications to be processed and 538 late submissions to be considered and legal costs to be processed in 1,290 cases. By the 31st July 2011, a further 333 late submissions had been received.

The recently enacted Residential Institutions Redress (Amendment) Act, 2011, removes the power of the Residential Institution Redress Board to accept late applications received on or after the 17th of September 2011, under sections 8(2) and 8(3) of the 2002 Act. The Redress Board will continue to consider the remaining applications before it and will consider late applications received prior to 17th September 2011. The setting of a closing date for receipt of late applications, will facilitate the agreement of a timetable for the winding-up of the Board.

CICA

At end 2010, the expenditure on CICA amounted to €65.2m. The staffing in CICA has been reduced significantly to a level that is advised to be the current absolute minimum. The Commission will ultimately be wound down when their work is completed.

An Chomhairle um Oideachas Gaeltachta & Gaelscolaíochta (COGG)

Role/Functions

COGG is charged with providing advice, undertaking research, providing materials and resources, and support services for the teaching of and through Irish at first and second level. It has three staff. The Council of An Chomhairle is composed of a chairperson and 22 representative members.

Funding

2010 Outturn	2011 Allocation
€1.715m	€2.3m

Potential for rationalisation

The Report of the Special Group on Public Sector Numbers considered that the existence of a separate body to carry out these functions was unwarranted. The Group recommended that the body be absorbed into existing DES units which would save €0.3m in terms of administration costs of COGG and up to a further €0.9m in terms of the funding for provision of texts/resources for Irish medium schools.

Since then a 20 year national strategy for Irish was launched in 2010 and included a commitment that COGG would play a strengthened role in the implementation of the strategy and be appropriated resourced to carry out its remit, with a review of its role to determine whether other functions should be assumed by the organisation. Key elements of the strategy are to invest in the development of texts and materials for Irish and to enhance training programmes for teachers. COGG has a key role in providing materials and support services, working with existing agencies, and is the only Irish language body funded by the Department. The demand for such material and supports services continues to increase.

COGG is also the only body that the Department has working exclusively on Irish and any decision to abolish it could well be viewed as a dilution of the Government's commitment to the Irish language. Merging COGG with any other body would risk losing its specific focus in respect of the Irish language. The timing may not be appropriate given the Language Strategy context. There is a need for a review of the role and functions of Irish bodies generally, including COGG, in the context of the implementation of the strategy for the Irish language and the Gaeltacht.

Further little money would be saved by the abolition of COGG. Given that its operational costs are c€0.33m (its payroll/personnel functions etc. are already handled

by the Department) and that the rest is spent on delivery of key services to a specific cohort, and that provision of textbooks, resources and support services for reasons of student equity would have to be continued and staffed, the only saving likely to emerge from abolition would be the rent, cleaning and insurance costs (c62k)

Grangegorman Development Agency (GDA)
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Role/Functions

The Agency was established in 2005 to develop the Grangegorman site on behalf of the Departments of Education and Skills and Health and Children. The functions of the agency include;

- accept the site and other properties
- prepare a strategic plan and planning scheme
- decide appropriate procurement strategy
- consult with relevant organisations
- arrange for a communications strategy
- carry out campus construction
- dispose of DIT properties
- handover new facilities to DIT/HSE on completion

The agency consists of 15 members appointed by the Minister for Education and Skills with the consent of the Minister for Finance.

Funding

	2010 Outturn	2011 Allocation
Pay	€0.482m	€0.98m
Non-Pay	€0.56m	€1.10m
Total	€1.04m	€2.08m

Staffing Numbers

2011	2012	2013	2014
10	11	12	12

Potential for rationalisation

The abolition of this agency would effectively mean the termination of the development of the Grangegorman project. However, given the pace of current developments and the economic factors affecting Public Private Partnership projects, a reduction of the Agency's budget by 20% in 2012, requiring it to operate with 8 or 9 staff rather than the ECF position of 10 by end 2011 and 12 by end 2014, is included as a savings option. It is considered that such limiting of the Agency staff at this point could be achieved. The position here can be considered further in the light of decisions on the overall capital programme.

Léargas – The Exchange Bureau

Léargas was established as an agency under the aegis of the Department of Education in 1993 and now operates under the aegis of this Department and the Department for Children and Youth Affairs. It was established under the Companies Acts 1963 to 2009, as a company limited by guarantee and not having a share capital.

Léargas is responsible for developing, promoting and administering national, European and international exchange and co-operation programmes. It acts as the national agency for the majority of the elements of the EU Lifelong Learning Programme (LLP) and other international programmes in Ireland.

The major EU programmes for which Léargas is the Irish national agency include:

- (i) Comenius at primary and second-level;
- (ii) Leonardo da Vinci in the vocational sector;
- (iii) Grundtvig in adult education;
- (iv) the Youth in Action Programme, which is a European Programme offering non-formal learning opportunities with a European dimension to young people aged 13 to 30.

The national authorities for these programmes are this Department for (i) to (iii) and the Department of Children and Youth Affairs for (iv).

Léargas also works with colleagues in the Department of Enterprise, Trade and Innovation and the Department of Foreign Affairs.

Léargas currently has 40 staff based in offices in Dublin.

Léargas also acts as employer and provides organisational support for the National Centre for Guidance in Education.

The EU Commission provides about €8m annually directly to Léargas to disburse as grants under the Lifelong Learning and Youth in Action programmes. Léargas receives about €1.2 m. annually from this Department towards operational expenses, including salaries.

Potential for rationalisation

The EU Council Decisions establishing both the Lifelong Learning and Youth in Action programmes set down the requirement for separation of duties between “national agencies” and the relevant Government departments which are required to act as “national authorities”. The Council Decisions state that “A ministry may not be designated as a national agency”. Hence, the abolition of Léargas and integration of the activities concerned into the Department would not be possible.

[-Text redacted-]

National Centre for Guidance in Education (NCGE)

Role/Functions

The role of the NCGE is to act as a centre of excellence for guidance practice, to represent Ireland in EU guidance fora, and to be the national information centre for queries in relation to vocational guidance to and from other countries of the EU. Guidance is one of the central pillars of the EU Lisbon Strategy and every member state is obliged to host such an information centre.

The Management Committee of the Centre is appointed by the Minister of Education and Skills. NCGE is staffed by the Director, a Guidance Programme Coordinator, two Guidance Officers an Information Officer and an Office Administrator.

Funding

2010 Outturn	2011 Allocation
€0.467m	€0.52m

Potential for rationalisation

Given the small budget and the continuing demands of a key cohort in assisting and informing students life choices abolition of this body is unlikely to achieve any significant savings. In addition given the imminence of the Irish presidency of the EU in 2013, and the role of the centre in guidance at a European level, it is not considered feasible to abolish the NCGE.

The Teaching Council

Role/Functions

The Council was established in 2006 through the Teaching Council Act 2001 and since 2008 it is self-funded by members' contributions. It is the regulatory body governing the registration of teachers in Ireland.

The Council's statutory responsibilities of maintaining, promoting and improving standards of teaching are key to supporting the Department's priority of improving the quality, relevance and inclusiveness of education for every learner in our schools.

Much work has already been done by the Council to develop education, in particular in maintaining and improving teaching standards and the majority of its statutory executive functions have been commenced.

Staffing Numbers

2011	2012	2013	2014
34	33	32	31

Potential for rationalisation

It is the Department's view that there needs to be a fully functioning regulator for the teaching profession. As is the case with other professional regulatory bodies, this can best be provided by the existence of an independent regulator, at arm's length from the Department.

The Teaching Council is a self funding body with income generated by way of teacher registration and renewal fees. There is no call on Exchequer funding for the Council's ongoing business. There is no financial benefit to be gained by the merging/amalgamation of the Council with other bodies or the Department.

Public submissions on the CER have suggested that the Council should be abolished, on the basis of a) savings to the Exchequer or b) the lack of service that the Council provides to teachers.

In response to a) this does not arise as the Council is self-funding. There would however, be an annual saving of €90 to individual registered teachers. In relation to b) the Council's function is not to serve individual teachers, but the professional body as a whole. Teachers benefit from the services of the Teaching Council in the way that any member of a professional body would, in terms of regulation, maintenance and improvement of overall professional standards. The Council keeps members informed of developments in these areas. In the absence of the Council there would be serious difficulty delivering on important reforms affecting the quality of education outcomes.

COMPREHENSIVE REVIEW OF CURRENT EXPENDITURE - list of possible savings

The Department, in consultation with the Minister, identified, from within the Full List of Savings Options, this shorter list of measures that may be the most feasible to meet the specific expenditure targets set for the Department.

€ million

	2012	2013	2014	2015	Full Year	Comment
PROGRAMME 1 - Schools (Teachers & Funding)						
Increase staffing schedule for classroom teachers at primary level by 2 points from 28:1 to 30:1	14.0	42.0	42.0	42.0	42.0	700 posts
Terminate all ex-quota guidance teacher posts in schools. Allow schools the option of using ordinary teachers to fill these posts	14.0	28.0	43.0	43.0	43.0	680 Posts. An alternative would be to increase staffing schedule by 1 point, yielding 850 posts
1-point increase in staffing schedule for fee-charging schools.	1.0	3.2	3.2	3.2	3.2	50 posts. Staffing schedule would operate 2 points higher than for all other schools. Would have to apply equally to all fee-charging schools irrespective of patronage.
Terminate all Chaplain posts in Community and Vocational Schools	3.0	9.0	9.0	9.0	9.0	147 Posts. Amount of savings will be reduced as redundancies will be required in some cases.[- Text redacted-]
Small Schools - Adjustments to staffing schedules in 1, 2 and 3 teacher primary schools, by raising the minimum number of pupils required for allocation of teaching posts. Schools with less than 10 pupils to receive no allocation, if alternative school of same ethos within approx. 10 km radius. Second teacher allocated where at least 21 pupils (currently 12), with third teacher allocated where at least 56 pupils (currently 49). Yield approximately 250 posts.	1.5	6.5	11.5	15.0	15.0	Would realistically require a 3-year lead-in period.
Reduce capitation grants (saving shown is reduction of 3%)	10.5	10.5	10.5	10.5	10.5	
Abolition of Modern Languages in Primary Schools Initiative	2.5	2.5	2.5	2.5	2.5	Savings would be offset against costs of Literacy and Numeracy Strategy.
Supervision/Substitution scheme - reduce administration fee payable to schools from 5% to 2%.	1.5	1.5	1.5	1.5	1.5	[-Text redacted-]
VEC restructuring savings.	0.0	0.0	0.0	0.0	3.0	Savings realisable in medium term.
TOTAL	48.0	103.2	123.2	126.7	129.7	
PROGRAMME 2 - Schools (Special Education)						
Reduction in teaching numbers in Special Schools arising from review of staffing and pupils in these schools	1.9	5.7	8.5	8.5	8.5	150 posts
10% reduction in Special Needs Assistant posts below current ceiling of 10,575	4.7	34.0	34.0	34.0	34.0	May give rise to difficulties in enrolment of pupils with special needs in some cases.
TOTAL	6.6	39.7	42.5	42.5	42.5	
PROGRAMME 3 - Schools (Education Disadvantage)						
A range of measures to withdraw supports in some schools (both DEIS and non DEIS) from earlier disadvantage programmes/schemes that exceed what equivalent schools are entitled to under DEIS or to which non-DEIS schools are not entitled - but using 206 of the 428 posts saved to lower staffing schedules in DEIS Urban Band 2 schools that do not currently have the more favourable schedules (20 of posts saved would be used to support Literacy and Numeracy strategy):						
Withdraw reduced PTR from 15 non-DEIS primary schools (38 teaching posts). (PTRs 20:1 & 27:1)	0.8	2.3	2.3	2.3	2.3	Would address inequality existing between these non-DEIS schools and Band 2 DEIS schools that do not have entitlement to reduced PTRs.
Abolish Support Teacher Project (43 posts in 48 primary schools, 45 DEIS & 3 Non DEIS) and support grants	0.8	2.6	2.6	2.6	2.6	Would address inequality existing among DEIS schools, some of which have Support Teacher posts while others do not.
Withdraw concession of reduced PTRs of 15:1 in 32 DEIS schools previously in the 'Breaking the Cycle' programme (45 posts).	0.2	0.6	1.2	2.7	2.7	Would address inequality existing among DEIS schools, some of which have benefit of reduced PTR from earlier Breaking the Cycle programme while others do not. Savings based on phased removal.

COMPREHENSIVE REVIEW OF CURRENT EXPENDITURE - list of possible savings

The Department, in consultation with the Minister, identified, from within the Full List of Savings Options, this shorter list of measures that may be the most feasible to meet the specific expenditure targets set for the Department.

€ million

	2012	2013	2014	2015	Full Year	Comment
Withdraw Disadvantaged concessionary posts from DEIS schools (64 posts in 59 primary schools, 136 posts in 136 post-primary schools).	4.0	12.0	12.0	12.0	12.0	Would address inequality existing among DEIS schools, some of which have benefit of DAS posts while others do not. May be needed for curricular concession posts at post-primary level so full saving might not accrue.
Withdraw concession of reduced PTRs to Band 2 Urban DEIS schools of 20:1 in junior classes and 27:1 in senior classes (102 posts in 52 schools).	0.7	2.4	4.1	6.1	6.1	Posts were allocated under earlier 'Giving children an even break' scheme. However, would address inequality existing among DEIS Band 2 schools, where 52 have benefit of reduced PTRs from earlier scheme while 93 Band 2 schools do not. Savings based on phased removal.
Use 206 of posts saved by above measures to lower staffing schedules in DEIS Urban Band 2 schools that do not currently have the more favourable schedules, allowing the staffing schedule in all classes in DEIS Band 2 schools to be set at the same level as the schedule for senior classes in Band 1 schools.	-4.1	-12.4	-12.4	-12.4	-12.4	
Sub-Total of savings from above range of measures	2.3	7.5	9.8	13.3	13.3	
Termination of Early Start pre-school programme, with participants transferring to universal pre-school provision scheme. (55 childcare workers and 55 teacher posts).	-0.4	5.6	5.6	5.6	5.6	One-third year savings in 2012 offset against cost of redundancy payments to childcare workers. Implications for Health and Children Vote of participants transferring to scheme administered by that
TOTAL	1.9	13.1	15.4	18.9	18.9	
PROGRAMME 4 - School Transport						
Abolition of scheme and replacement with grant-aided scheme for pupils on a medical card	-20.0	128.0	125.0	125.0	125.0	Cost of redundancies eliminates year 1 saving. [-Text redacted-]
TOTAL						
PROGRAMME 5 - Teacher Education/Curriculum/SEC/ICT						
Initial Teacher Education - Abolish grants to summer Gaeltacht colleges in respect of student teachers' attendance	0.8	0.8	0.8	0.8	0.8	
Initial Teacher Education - Combination of reductions in numbers of students in larger colleges of education and potential rationalisation of courses.	0.0	0.5	0.5	0.9	0.9	Savings here would be offset against extra Teacher Education costs arising from other reforms e.g Literacy/Numeracy and Junior Cert
Savings in Continuing Professional Development (CPD)	3.0	3.0	3.0	3.0	3.0	These would be re-directed to CPD requirements from the Literacy/Numeracy Strategy
TOTAL	3.8	4.3	4.3	4.7	4.7	
PROGRAMME 6 - Skills, Further & Adult Education						
Reduce Apprenticeship Trainees in line with demand.	14.0	14.0	14.0	14.0	14.0	Reflects lower intake.
Reduce apprentice off-the-job allowances for existing trainees by 16.7%, phases 2-6. (Current rates are from €223 to €503)	4.0	6.0	6.0	6.0	6.0	
Abolish allowances paid to 16-17 year olds (Youthreach, Community Training Centres, FAS), €76.65, €95.75.	3.2	10.1	10.1	10.1	10.1	New entrants only
Reduce allowances paid to FAS, CTC, VTOS, Youthreach participants from €188 to €100 for 18-21 yr olds & €188 to €144 for 22-24 yr olds.	13.5	25.6	29.8	29.8	29.8	New entrants only
50% reduction in Skillnets budget	3.7	7.5	7.5	7.5	7.5	
10% reduction in AONTAS & NALA grants	0.3	0.3	0.3	0.3	0.3	
TOTAL	38.7	63.5	67.7	67.7	67.7	

COMPREHENSIVE REVIEW OF CURRENT EXPENDITURE - list of possible savings

The Department, in consultation with the Minister, identified, from within the Full List of Savings Options, this shorter list of measures that may be the most feasible to meet the specific expenditure targets set for the Department.

€ million

	2012	2013	2014	2015	Full Year	Comment
PROGRAMME 7 - Higher Education						
3% reduction in core pay funding	25.5	25.5	25.5	25.5	25.5	This reduction will go beyond the ECF requirement. The pay and non-pay reductions may require a cap on new entrants. Alternatively this reduction could be offset by a further increase in the student contribution e.g. increase of €250 (to €2,250) would yield net €18.5m, while increase of €500 would yield net €37m allowing for increased student grant expenditure.
3% reduction in core non-pay funding	10.0	10.0	10.0	10.0	10.0	
Terminate Technological Sector research programme	1.0	1.0	1.0	1.0	1.0	
Reduce funding for Grangegorman Development Agency by 20%	0.2	0.2	0.2	0.2	0.2	
TOTAL	36.7	36.7	36.7	36.7	36.7	
PROGRAMME 8 - Student Support & Access						
Abolish maintenance grants for post-graduate studies	6.0	24.0	36.0	52.0	52.0	New entrants only.
Introduce a capital asset test	0.0	1.5	6.3	9.3	14.0	New entrants only, implemented from 2013.
Reduction in maintenance grant (3% reduction shown)	6.6	6.6	6.6	6.6	6.6	
Reduce fund for students with disabilities by 20%	2.8	2.8	2.8	2.8	2.8	
Amalgamate scholarship programmes	0.1	0.2	0.3	0.3	0.5	
TOTAL	15.5	35.1	52.0	71.0	75.9	
PROGRAMME 9 - CICA / Redress	TOTAL	0.5	0.5	0.5	0.5	Savings on programme costs
PROGRAMME 11 - Dept Staff & Admin	TOTAL	0.6	0.6	0.7	0.7	Efficiency savings
TOTAL GROSS SAVINGS IDENTIFIED	132.2	424.7	468.0	494.4	502.3	
Additional costs in respect of New Policy initiatives						
Literacy/Numeracy Strategy	6.0	12.0	19.0	19.0	19.0	
Junior Certificate Reform	6.0	10.0	15.0	15.0	15.0	
Rollout of 100MB Broadband	2.8	7.4	9.0	11.2	12.8	
Upward pressures not provided for in National Recovery Plan						
Student Support	25.0	40.0	50.0	60.0	60.0	Costings on a No Policy change basis
TOTAL NET SAVINGS IDENTIFIED	92.4	355.3	375.0	389.2	395.5	

ADDITIONAL COST PRESSURES

The cost of qualification allowances for teachers is projected to increase by €152m by 2020, from expenditure of €213m in 2010, as older less qualified teachers retire and are replaced by younger more qualified teachers. [-Text redacted-]

DEPARTMENT OF EDUCATION AND SKILLS

COMPREHENSIVE REVIEW OF CURRENT EXPENDITURE
FULL LIST OF SAVINGS OPTIONS ACROSS PROGRAMME AREAS

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	2012	2013	2014	2015	Full Year	Comment
	€m	€m	€m	€m	€m	
PROGRAMME 1 - SCHOOLS - MAINSTREAM TEACHERS AND FUNDING						
<i>[-Text redacted-]</i>						<i>[-Text redacted-]</i>
VFM study of small primary schools						Await findings of VFM study.
VEC restructuring savings.					3.0	Savings realisable in the medium term.
Substitution. Reduce costs by reducing the maximum 30 days leave in lieu earned in holiday periods for teachers on maternity leave, similar to UK approach	0.0	4.0	13.0	13.0	13.0	Measure should conform to statutory requirements and may require to be considered as service-wide issue. Other issues for consideration include (i) replacing pay in lieu of public holidays for job-sharers not rostered to work in holiday periods with time off instead, (ii) bringing other types of teacher leave into line with civil service norms and limit the basis on which paid leave and/or substitution is given.
Supervision/Substitution scheme - reduce administration fee payable to schools from 5% to 2%.	1.5	1.5	1.5	1.5	1.5	<i>[-Text redacted-]</i>
Teacher Numbers						
Increase staffing schedule at primary level	7.0	21.0	21.0	21.0	21.0	1 point increase yields 350 posts @ €60k
Increase staffing schedule at post-primary level	18.0	54.0	54.0	54.0	54.0	1 point increase yields 850 posts @€64k. Made up approx of 55 posts in fee-charging schools, 275 posts in single sex free scheme schools and 520 posts in co-ed free scheme schools. Also possibility for more targeted approach around these sub-categories.
Increase in staffing schedule for fee-charging schools (1 point increase shown - circa. 50 posts).	1.0	3.2	3.2	3.2	3.2	This would mean that the staffing schedule would operate at 21:1 for fee-charging schools (2 points higher than for all other schools). It would be important to note that such an increase would have to apply equally to all fee-charging schools irrespective of patronage.
Terminate all ex-quota guidance teacher posts in schools. Allow schools the option of using ordinary teachers to fill these posts.	14.0	28.0	43.0	43.0	43.0	680 posts @ €64k. Would take at least 2 years to achieve. Schools would have to provide for guidance within their basic allocation. May be difficulties in redeploying guidance teachers. Alternative option to general staffing schedule increase.
Terminate all chaplain posts in community and vocational schools.	3.0	9.0	9.0	9.0	9.0	147 posts @ €61k. Amount of savings will be reduced as redundancies would be required in some cases. <i>[-Text redacted-]</i>
Reduction in capitation payments in schools (per 1%)	3.5	3.5	3.6	3.7	3.7	Schools may not be able to fund essential expenditure, such as insurance or heating <i>[-Text redacted-]</i>
Small Schools - Remove minimum enrolment threshold for primary schools for capitation payments	7.4	7.4	7.4	7.4	7.4	857 schools have fewer than 60 pupils. Floor capitation funding is set at the level given to a 60 pupil school. The floor could be removed. Many smaller schools would find it impossible to function on the reduced funding and would have to consider closure or amalgamation. This would realistically require a lead-in period in order for schools to plan how to manage with reduced funding. Alternative is to reduce threshold from 60 to 30 pupils, yielding saving of €3.4m.

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Small Schools - Adjustments to staffing schedules in 1, 2 and 3 teacher primary schools, by raising the minimum number of pupils required for allocation of teaching posts. Schools with less than 10 pupils to receive no allocation, if alternative school of same ethos within approximate 10 km radius. Second teacher allocated where at least 21 pupils (currently 12), with third teacher allocated where at least 56 pupils (currently 49). Yield approximately 250 posts.	1.5	6.5	11.5	15.0	15.0	Implementation would have to have regard to potential impacts including: impact on teaching and learning of having an increased number of class groupings and pupils in each classroom; impact for schools of all types of patronage given that the changes would, for constitutional reasons, have to apply equally to all schools; impact on the viability of small primary schools and their (mainly rural) school communities; impact for school transport, taking account of language and ethos; accommodation impacts and any associated additional capital costs; and any other issues arising from the reduced staffing in these schools. This option would also realistically require a lead-in period over say a three-year period.
Abolition of Protestant Block Grant	0.0	0.0	0.0	0.0	6.5	€6.5m saving but current arrangements preclude total abolition before 2015. Only 6 schools under Protestant management are within the free scheme; the remaining 20 charge fees. Reduced funding could result in low income parents from the Protestant community being unable to send their children to schools within their denominational ethos [-Text redacted-]. Decreased enrolments would threaten the viability of the some of the schools, particular those in isolated rural areas
Abolition of school book funding	13.1	13.1	13.1	13.1	13.1	This funding was removed in the October 2008 budget but reintroduced in the December 2009 budget. Ireland is one of the few EU member states to charge for books throughout a child's education. Schools have been encouraged to introduce book rental schemes, but it is not compulsory.
Abolition of programme grants to post-primary schools	4.0	4.0	4.0	4.0	4.0	Grants removed in October 2008 Budget but reintroduced in December 2009 Budget.
Abolition of Modern Languages in Primary Schools initiative.	2.5	2.5	2.5	2.5	2.5	Savings from abolition of this initiative will be offset against costs of Literacy and Numeracy Strategy.
Abolish Irish language grant.	0.7	0.7	0.7	0.7	0.7	Per capita payment made to schools who teach subjects through Irish.
Savings on foreign language assistants/teacher exchange.	0.2	0.2	0.2	0.2	0.2	Savings through reducing levels of allowances payable under scheme or reducing number of participants.

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	€m	€m	€m	€m	€m	
PROGRAMME 2 - SCHOOLS - ADDITIONAL SUPPORTS FOR SPECIAL NEEDS						
Reduction in teacher numbers arising from review of staffing and pupils in special schools	1.9	5.7	8.5	8.5	8.5	An NCSE review of staffing in special schools shows an excess of more than 150 teaching posts based on pupil numbers and disability categorisations. A reduction of teaching posts by 150 posts yields an annual savings of 8.5M per year. However, transitional arrangements to lessen the impact on schools could provide a 100 post reduction in 2012 and 2013 with the additional 50 saved in year 3. Savings in year 1 based on 1/3 of full year costs of 100 posts.
Discontinue (on equity grounds) funding in July Provision scheme for children with autism.	8.0	8.0	8.0	8.0	8.0	Maintain scheme for children with profound/severe disability. A review of JP scheme raised concern on equity grounds as only two categories of disability/special need are provided for despite absence of evidence to support this approach. The estimated cost of extending provision to all children with special needs could be €65m excluding transport costs. Discontinuation likely to be regarded as targeting the most vulnerable. May be appropriate to use some of saving for added respite services.
10% reduction (1,058) in SNA posts below current ceiling of 10,575.	4.7	34.0	34.0	34.0	34.0	The 2012 figure indicates 1/3 year saving, less redundancy costs. Reduced levels of SNA support could mean that some SEN children would not be able to attend/mainstream school. [-Text redacted-] However, a 10% reduction SNA allocation should be viewed in the context of the growth of the SNA scheme in recent years, the SNA VFM findings with regard to the unsatisfactory nature of this growth based on expanding expectations with regard to the roll of an SNA and also with regard to the report's findings that there has been an over allocation of SNA support. A 20% reduction would double savings and bring ceiling down to 8,460 posts.
Remove Home Tuition from children who have autism (equity issues as scheme not available to children with other SEN).	1.6	5.0	5.0	5.0	5.0	Not recommended in short term - early intervention is recognised to be of critical importance in the current Programme for Government. However could be considered in context of single early intervention through Early Childhood Care and Education (ECCE) scheme.
Reduce maximum sanctioned Home Tuition hours for SEN early intervention entrants from 20 to 15 hours per week.	0.4	1.3	1.3	1.3	1.3	This provision would bring number of hours into line with secular instruction in the infant school day. Savings in year 1 based on 1/3 of full year costs.
10% reduction in provision for Resource Teaching (Resource Teachers, but excluding GAM and Special Schools)	10.0	30.0	30.0	30.0	30.0	The actual allocation of resource teaching hours is disimproving due to increased enrolments and a cap on overall numbers. Further reductions would accentuate the reductions being made by capped posts and increasing demand. This would have to be proportionate to reductions in mainstream allocations, may result in schools refusing to enrol SEN pupils and litigation.

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	€m	€m	€m	€m	€m	
PROGRAMME 3 - SCHOOLS - EDUCATION DISADVANTAGE						
A range of measures to withdraw supports in schools (both DEIS and non-DEIS schools) arising from earlier legacy disadvantage programmes/schemes, that exceed what equivalent schools are entitled to under DEIS or to which non-DEIS schools are not entitled, while then using 206 of the 428 posts saved to provide favourable staffing schedules across all DEIS Urban Band 2 schools (only some such Band 2 schools currently have more favourable staffing schedules, but this is due to allocations granted under earlier the legacy programmes).						
Withdraw reduced PTR from 15 non-DEIS primary schools (38 teaching posts). (PTRs 20:1 & 27:1)	0.8	2.3	2.3	2.3	2.3	Would address inequality existing between these 15 non-DEIS schools and other schools that do not have entitlement to reduced PTRs.
Abolish Support Teacher Project (43 posts in 48 primary schools, 45 DEIS & 3 Non DEIS) and support grants	0.8	2.6	2.6	2.6	2.6	Would address inequality existing among DEIS schools, some of which have these legacy Support Teacher posts while others do not.
Withdraw concession of reduced PTRs of 15:1 in 32 DEIS schools previously in the 'Breaking the Cycle' programme (45 posts).	0.2	0.6	1.2	2.7	2.7	Would address inequality existing among DEIS schools, some of which have benefit of reduced PTR from earlier Breaking the Cycle programme while others do not. Savings based on phased removal.
Withdraw Disadvantaged concessionary posts from DEIS schools (64 posts in 59 primary schools, 136 posts in 136 post-primary schools).	4.0	12.0	12.0	12.0	12.0	Would address inequality existing among DEIS schools, some of which have benefit of posts under legacy Disadvantaged Areas Scheme (DAS), while others do not. May be need for curricular concession posts at post-primary level so full saving might not accrue.
Withdraw legacy concession of reduced PTRs to some Band 2 Urban DEIS schools of 20:1 in junior classes and 27:1 in senior classes (102 posts in 52 schools).	0.7	2.4	4.1	6.1	6.1	Would address inequality existing among DEIS Band 2 schools, some 52 of which benefit from reduced PTRs under the legacy 'Giving Children an Even Break' scheme, while remaining 93 Band 2 schools do not. Savings based on phasing these measures in over three years.
						(It should be noted that it has already been decided to use 20 DEIS related posts to resource the National Literacy and Numeracy Strategy [-Text redacted-])
Use 206 of posts saved by above measures to provide favourable staffing schedules in all DEIS Urban Band 2 schools, by setting the schedule at the same level as the schedule for senior classes in DEIS Band 1 schools (24:1).	-4.1	-12.4	-12.4	-12.4	-12.4	Total of 145 DEIS Band 2 schools, 52 of which currently have favourable staffing schedules under schemes predating DEIS, 93 do not. All 145 schools would now equally benefit from improved staffing schedule.
Sub-Total of savings from above range of measures	2.3	7.5	9.8	13.3	13.3	
Termination of Early Start pre-school programme, with participants transferring to universal pre-school provision scheme. (55 childcare workers and 55 teacher posts).	-0.4	5.6	5.6	5.6	5.6	One-third year savings in 2012 offset against cost of redundancy payments to childcare workers. Implications for Health and Children Vote of participants transferring to scheme administered by that Department.

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	€m	€m	€m	€m	€m	
PROGRAMME 4 - SCHOOL TRANSPORT						
1 - Abolition of scheme and replacement with grant-aided scheme for pupils on a medical card	-20.0	128.0	125.0	125.0	125.0	Assumes implementation from 2013, with reductions for redundancy costs of €74m. Cost of grants scheme (targeted only at medical card holders and children with special educational needs) estimated at €42m, plus cost of infrastructure. [-Text redacted-]
2 - Abolition of post-primary scheme with retention of primary and special needs scheme.	-8.0	56.0	56.0	56.0	56.0	Assumes implementation from 2013, with estimated reductions for Bus Eireann (partial disengagement costs) of €30m. Should be noted that post primary services are typically linked to double/multiple runs with primary runs. If the PP scheme is abolished then there would be a consequential impact on linked primary services, particularly those under the minimum of 10 eligible pupils. [-Text redacted-]
3 - Abolition of post-primary scheme and replacement with grant-aided scheme, with retention of primary and special needs scheme	-12.0	47.0	47.0	47.0	47.0	Assumes implementation from 2013, with estimated reductions for Bus Eireann partial disengagement costs of €30m. Cost of grants scheme targeted only at post primary medical card holders, estimated at €9m plus cost of infrastructure. See above re impact on primary level services. [-Text redacted-]
[-Text redacted-]						[-Text redacted-]
PROGRAMME 5 - TEACHER EDUCATION, CURRICULUM, STATE EXAMS, ICT						
Initial Teacher Education - Abolish grants to summer Gaeltacht colleges in respect of student teachers' attendance.	0.76	0.76	0.76	0.76	0.76	Admin burden on colleges, possible disproportionate impact on students from disadvantaged backgrounds, poss. contrary to 20-year Irish strategy. However, students in private college pay the fee.
Initial Teacher Education - Combination of reductions in numbers of students in the larger colleges of education and rationalisation of courses.	0	0.5	0.5	0.85	0.85	Savings here would partly offset extra Teacher education costs arising from other reforms. Reducing intake further would yield higher savings in proportion. Alternative option is to discontinue post-grad courses, yielding €1.1m.
Savings in Continuing Professional Development (CPD)	3.0	3.0	3.0	3.0	3.0	Number of possible savings measures by curtailing supports offered but these would be offset by extra costs in relation to Literacy and Numeracy strategy (€2.3m).
Qualifications Bodies - 10% cut in allocation	0.8	0.8	0.8	0.8	0.8	Would require 35% increase in fees to counter funding reduction.
NCCA - 5% reduction in allocation	0.2	0.2	0.2	0.2	0.2	

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PROGRAMME 6 - SKILLS, TRAINING, FURTHER & ADULT EDUCATION						
Reduce Apprenticeship Trainees in line with demand	14.0	14.0	14.0	14.0	14.0	Reflects lower intake
50% reduction in AONTAS & NALA grants	1.4	1.4	1.4	1.4	1.4	Request Bodies to Merge
Reduce apprentice off-the-job allowances for existing trainees by 16.7%, phases 2-6. (Current rates are from €223 to €503)	4.0	6.0	6.0	6.0	6.0	Increased savings possible if allowances cut by 33.3% (€8m/€12m) or 55% (€13.2m/€19.8m)
Abolish allowances paid to 16-17 year olds (Y'reach, Community Training Centres, FAS). €76.65, €95.75.	3.2	10.1	10.1	10.1	10.1	Saving based on application to new entrants. F/Year saving (€11m) also possible in 2012 if applied to all entrants.
Reduce allowances paid to FAS, CTC, VTOS, Youthreach participants from €188 to €100 for 18-21 year olds and €188 to €144 for 22-24 year olds.	13.5	25.6	29.8	29.8	29.8	Saving based on application to new entrants. Full-Year saving (€29.8m) also possible in 2012 if applied to all entrants.
Abolish €20 long-term unemployed bonus paid to FAS, VTOS, Youthreach participants.	3.4	6.7	6.7	6.7	6.7	Saving based on application to new entrants. Full-Year saving also possible in 2012 if applied to all entrants.
Abolish FAS Training allowance (€188pw) to trainees also receiving Invalidity Pension, Disability Benefit.	0.9	1.9	1.9	1.9	1.9	Saving based on application to new entrants. Full-Year saving also possible in 2012 if applied to all entrants.
Abolish meal (€4) and travel (€12) allowances paid to FAS, VTOS, Youthreach participants.	14.4	20.4	21.3	21.3	21.3	Saving based on application to new entrants. F/Year saving (€21.3m) also possible in 2012 if applied to all entrants.
10% reduction VTOS, Y'reach, PLC Capitation grants.	2.1	2.1	2.1	2.1	2.1	Grants reduced by 5% in Budget 2011
Increase PLC participant contribution - €200 to €400	0.0	4.0	4.0	4.0	4.0	2012/2013 contribution collected in 2013.
Introduce a BTEI participant contribution of €100 for those in employment, including those without upper second level qualifications (7,000 participants).	0.5	0.7	0.7	0.7	0.7	
Regress PLC PTR from 17:1 to 19:1 from Sept 2012	4.0	11.5	11.5	11.5	11.5	Savings dependant on successful redeployment and therefore may not be fully realised; to guarantee savings would require greater regression
50% reduction in Skillnets budget	3.7	7.5	7.5	7.5	7.5	
10% reduction in Locally Devised Assessment payments	0.3	0.3	0.3	0.3	0.3	
10% reduction in VEC grants for BTEI, Adult Literacy, Community Education, AEGI, Skills for Work programmes	7.4	7.4	7.4	7.4	7.4	
10% reduction in VEC Youthreach hours allocation from September 2012 (currently 3,600 places)	1.0	3.0	3.0	3.0	3.0	
10% reduction in VTOS hours allocation from September 2012 (currently 6,000 places)	0.7	1.9	1.9	1.9	1.9	
10% reduction in Community Training Centre (CTC) allocation from September 2012	2.3	4.5	4.5	4.5	4.5	
10% reduction in further education co-operation hours to prisons, probation services, PwDs, etc from September 2012	0.8	2.4	2.4	2.4	2.4	
10% reduction in training for the unemployed	9.4	28.3	28.3	28.3	28.3	
10% reduction in training contract for People With Disabilities	2.8	5.5	5.5	5.5	5.5	
10% reduction in allocation to IDA/Enterprise Irl	0.7	0.7	0.7	0.7	0.7	
10% reduction in miscellaneous Further Education grants	0.8	0.8	0.8	0.8	0.8	
No Labour Market Activation Funding from 2012						<i>This saving of €15m is already reflected in the base allocations for 2012-2014.</i>

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PROGRAMME 7 - HIGHER EDUCATION						
1% reduction in core pay funding to higher education	8.5	8.5	8.5	8.5	8.5	Further % increases would yield savings in proportion. Will require further reduction in staff to that comprehended by Employment Control Framework. Savings shown is net of increased costs of student grant expenditure.
1% reduction in non-pay funding to higher education	3.3	3.3	3.3	3.3	3.3	Further % increases would yield savings in proportion. Allocation was cut by 5% in Budget 2011.
Increase Student Contribution charge by €500 to €2,500	37.0	37.0	37.0	37.0	37.0	Gross saving €62m, less €25m for third level grant schemes (potential €8m could be claimed in tax relief). Increase of €1,000 would yield saving of €73m. Alternatively, a variation of this option would be to provide for differentiated increases in charges based on the economic cost of the particular course being studied
Terminate Technological Sector research programme	1.0	1.0	1.0	1.0	1.0	
Maintain PhD and post-doctoral awards at 2011 levels	1.0	4.5	4.5	4.5	4.5	In relation to awards made in 2012/13 academic year.
Reduce funding for Grangegorman Development Agency by 20%	0.2	0.2	0.2	0.2	0.2	
PROGRAMME 8 - STUDENT SUPPORT AND STUDENT ACCESS						
Abolish student maintenance grants	32.0	128.0	225.0	225.0	386.0	[-Text redacted-]Major impact on disadvantaged students.
Introduce capital assets test as part of means testing regime for student grants	0.0	1.5	6.2	9.3	14.0	New entrants only and implemented from 2013. Will impact on non-salaried, self-employed and farmers.
1% reduction in rate of maintenance grant	2.2	2.2	2.2	2.2	2.2	Further % increases would yield savings in proportion. Allocation was cut by 9% in past two years.
Reduce fund for students with disabilities by 20%	2.8	2.8	2.8	2.8	2.8	
Amalgamate scholarship programmes	0.1	0.2	0.3	0.3	0.5	
Pay only tuition fees element of maintenance grants for post-graduate studies.	1.6	6.6	9.9	9.9	15.0	
Abolish maintenance grants for post-graduate studies	6.0	24.0	36.0	52.0	52.0	6,776 post-grad students availing of student grants. New entrants only. Significant reduction in less well-off students studying at post-grad level.
Abolish special rate of maintenance grant for disadvantaged students (22,000 students qualify).	5.7	23.1	34.6	34.6	52.0	New entrants only. Would impact significantly on third level participation for this group. Would result in significant increase in spend on social welfare budget.
Equalise part-rates for Maintenance and Fees	0.8	1.6	3.2	3.2	7.0	New entrants only.

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PROGRAMME 9 - CICA/REDRESS						
Savings on programme costs	0.5	0.5	0.5	0.5	0.5	Programme savings and cessation of funding of groups and outreach services on establishment of Statutory Fund
PROGRAMME 10 - DEPT STAFF & ADMIN COSTS & NEPS						
Overtime – 10% reduction in costs through reassignment of staff at peak times, continue to offer leave in lieu, reorganise certain work practices	0.1	0.1	0.1	0.1	0.1	
Training – reduction rising to 20% (of 2011 allocation) by 2014 by increased use of in-house expertise, use of on-site facilities, prioritisation of training requests, facility sharing, negotiate better value for money with providers, improved evaluation systems.	0.1	0.1	0.1	0.1	0.1	Assumes 20% reduction in budgets for Inspectorate CPD and IT.
Telecommunications – Savings arising partly from introduction of new phone system.	0.4	0.4	0.4	0.4	0.4	
Office machinery & supplies - Efficiency savings from 2014.	0.0	0.0	0.1	0.1	0.1	No savings 2012 & 2013 due to EU Presidency demands.
Contractors – Efficiency savings	0.1	0.1	0.1	0.1	0.1	