

ANGUS COUNCIL

CHILDREN AND LEARNING COMMITTEE – 19 SEPTEMBER 2017

**CONSULTATION ON EDUCATION GOVERNANCE: FAIR FUNDING TO ACHIEVE EXCELLENCE
AND EQUITY IN EDUCATION**

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ABSTRACT

This report highlights the opportunity to respond to a consultation on education governance arrangements for fair funding in Scottish education. It seeks committee's contribution to Angus Council's response to this consultation.

1. RECOMMENDATIONS

It is recommended that the Children and Learning Committee:

- (i) Endorse Angus Council's response to this consultation as outlined in section 5 of this report.
- (ii) Consider and provide any amendments or additions to Angus Council's response

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

This report contributes to the following local outcome contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

Our children and young people are confident individuals, effective contributors, successful learners and responsible citizens

3. BACKGROUND

- 3.1 The Scottish Government's 'Empowering teachers, parents and communities to achieve excellence and equity in education: A Governance Review' sought views on how education in Scotland is run, including who should take decisions in relation to the education of children and young people, and how funding can be made fairer. It asked about the support teachers and practitioners need to do their jobs well and how this can be improved. Angus Council responded to this consultation as detailed in report 30/17 in January of this year.
- 3.2 In response to this consultation, the Scottish Government published 'Education Governance: Next Steps, Empowering our Teachers, Parents and Communities to Deliver Excellence and Equity for our Children' (<http://www.gov.scot/Publications/2017/06/2941>) in June 2017. This document set out a range of measures to enhance a school and teacher-led education system that focuses on the quality of learning and teaching and supports leadership at all levels. The document sets out a vision for change with the need for new legislation and potentially significant changes to the role of head teachers, local and national government in the governance of education.
- 3.3 Alongside the 'Next Steps' paper, a further consultation was also published: 'Education Governance: Fair Funding to Achieve Excellence and Equity in Education' (<https://consult.scotland.gov.uk/empowering-schools/education-governance-fair-funding/>). This consultation seeks views on how schools are funded and sets out two future models for consideration.

4. CURRENT POSITION

- 4.1 The Fair Funding consultation closes on the 13th October. Angus Council has prepared a response to this consultation which is outlined in section 5 of this report. There are eight consultation questions. Angus Council's draft response to these questions was shared and discussed with headteachers at a meeting on the 24th August 2017. All Angus headteachers have also been encouraged to respond individually to this consultation.

5. PROPOSALS

5.1 Question 1

(a) What are the advantages of the current system of funding schools?

The current system allows headteachers flexibility whilst protecting them from many of the demands of managing expenditure on areas which do not directly impact attainment and achievement e.g. building maintenance, pupil transport. This allows them to concentrate their time and expertise on areas that add greater value for children and young people. Schools are the only council services that can carry forward planned over and underspend. It is important that the consideration of best value leads to effective and efficient resource management. The national pupil-teacher ratio commitment protects spend on teachers.

(b) What are the disadvantages of the current system of funding schools?

There is little scope for headteacher control in large parts of the DSM budget which relate to staffing and building management. Some staff find the central procurement system to be limited, reporting that at times it does not appear to reflect best value for money. Primary schools do not have a Business Manager to support administration. Transport costs for schools, in more rural areas, are a significant pressure on budgets.

5.2 Question 2

(a) What are the benefits to headteachers of the current Devolved School Management schemes?

Devolved School Management is an opportunity for individual schools to target resources more precisely in seeking to achieve agreed objectives within the overall context of Angus Council strategy. Devolved budgets provide the core funds which schools use to address national and local priorities. As much resource as possible is devolved to schools. This gives school communities some control over budgetary decisions.

There are a number of elements that are currently either excluded from the scheme or not devolved to schools which effectively protects the schools from bearing the full financial implications and risk of some decisions, for example premature retirement and redundancy costs; long term supply cover for sickness; visiting specialist teacher service. Full devolution of all costs would mean that these costs would be borne by the school. This could have a disproportionate impact in the year these costs were incurred. It would be difficult for the local authority to bear these costs if all or most of the budgets were devolved to schools.

(b) What are the barriers that headteachers currently face in exercising their responsibilities under Devolved School Management? How could these barriers be removed?

DSM covers the two large areas of staffing and building management. The maintenance of the pupil-teacher ratio means that there is little scope for flexibility. The large component of budget that relates to staffing is committed spend.

Administrative costs including curriculum development and per-capita allowance are devolved to schools. Schools are required to comply with Councils' procurement policies.

5.3 Question 3

How can funding for schools be best targeted to support excellence and equity for all?

No one can argue with the principles of equity, excellence and empowerment. These are however open to individual interpretation and it is unlikely that all the stakeholders in Scottish education mean the same by the use of these words. 'Closing the gap' has become unhelpful shorthand to describe the work of schools. Breaking the inter-generational poverty gap should be the shared priority of all agencies working with families and communities. Nothing short of a whole systems approach will impact on the poverty related attainment gap. It is a coherent approach across all agencies including government that will lead to the movement of the attainment distribution curve. We should not focus too narrowly on schools. We need to acknowledge the wider system within which our children develop and achieve. It is therefore important that funding for schools is not considered in isolation of funding to wider children's services.

5.4 Question 4

(a) What elements of school spending should headteachers be responsible for managing and why?

The following areas of budget are devolved to Head Teachers:

- Employee Costs including:
Teachers, Supply Cover, Clerical Staff, Technicians, Janitorial Staff and School Support staff
- Property Costs including:
Repairs and Maintenance (Tenant), Energy Costs and Cleaning Materials
- Administrative Costs including:
Telephones, Postage, Travel, Staff and Curriculum Development and Per-Capita.

(b) What elements of school spending should headteachers not be responsible for managing and why?

At present the Angus Council Scheme aims to devolve at least 90% of the schools budget to the headteacher. It is difficult to see how devolving the areas currently non-devolved would support excellence and equity for all. It is more likely to detract headteacher time from managing and improving learning and teaching. These areas are:

- Long-term supply cover for sickness (Primary Teaching Staff and Nursery Support Staff)
- Supply cover for maternity leave (Primary Teaching Staff and Nursery Support Staff)
- Supply cover – other (Trade Union duties etc)
- Repairs and maintenance – landlord responsibilities (PPP)
- Property Insurance
- Schools & Learning Central Administration (e.g. Directorate and admin support services)
- Visiting Specialist Teaching service
- Music Instruction Service
- Janitorial services (Tayside Contracts)
- Parent Council Expenditure (devolved to Parent Councils)

(c) What elements of school spending are not suitable for inclusion in a standardised, Scotland-wide approach and why?

Spend for Additional Support Needs is not easily determined. As Additional Support Needs are short-term and long-term, wide ranging, complex, individual and unique, the associated budget needs to be flexible to respond to changing needs. Unless the overall budget quantum

increases, it is difficult to see how a proportion of this spend could be devolved directly to each school in order to meet our expectations that children are as far as possible educated in their local community. In terms of meeting individual needs and best value it does not make sense to devolve all aspects of Additional Support Needs funding. There is no 'one cost per child with additional support needs' that can or should be defined. That is, individual costs for supporting a child with additional support needs can vary greatly and a 'per capita' allocation will struggle to address that.

It would likely be difficult to agree a Scotland wide approach for property costs for schools. The property costs are likely to vary widely based on locality and also how any new builds are funded i.e. the impact of PPP schools. Transport costs are also likely to vary significantly.

5.5 Question 5

(a) What would be the advantages of an approach where the current system of funding schools is largely retained, but with a greater proportion of funding allocated directly to:

1. *Schools;*
2. *Clusters; or*
3. *Regional improvement collaboratives*

Good collaborative working is more likely to lead to improvements than where funding sits. A number of different layers of governance is also likely to lead to more bureaucracy and inefficiency.

Arguably, it doesn't matter where funding is devolved to, what is more important is ensuring that processes for accessing it ensure that young people's needs are met in a non-bureaucratic process. There is very limited information currently about the role and function of regional improvement collaboratives making it difficult to respond to this question in full.

It is unclear what is meant by 'clusters' of schools. If this refers to a secondary school and associated primaries, then there are examples of very good work that already happens in this forum. The research on effective collaboration needs to be implemented – teachers should work together with other teachers on shared issues that they think similarly about. If a 'cluster' mainly becomes a forum for the dissemination of resources it is likely to become a barrier to effective collaboration.

(b) What would be the disadvantages of an approach where the current system of funding schools is largely retained, but with a greater proportion of funding allocated directly to:

1. *Schools;*
2. *Clusters; or*
3. *Regional improvement collaboratives*

See answer to 5(a)

5.6 Question 6

The Scottish Government's education governance reforms will empower headteachers to make more decisions about resources at their school. What support will headteachers require to enable them to fulfil these responsibilities effectively?

Increased autonomy at school level could lead to increased levels of bureaucracy potentially diverting school managers away from their priority focus of learning and teaching. There needs to be an emphasis on professional leadership development to support any greater autonomy. There are already challenges in recruiting headteachers and this key role must remain attractive to able candidates. Our experience is that headteachers require regular personnel advice to manage staffing situations and can lack experience in this area.

5.7 Question 7

What factors should be taken into account in devising accountability and reporting measures to support greater responsibility for funding decisions at school level?

There requires to be clarity on where the responsibility for monitoring outcomes lies. Some schools may be subject to disproportionate parental pressure with potentially adverse impacts on inclusion for children with Additional Support Needs or behavioural difficulties. The consultation states that the Headteacher Charter will determine that headteachers can select and manage staff, does this include dismissal? What happens to teachers who become surplus or require to move school for welfare reasons? Any system must be sufficiently flexible to allow for the strategic management of staffing, for example the transfer of surplus staff. Currently effective systems exist to manage the movement of staff between schools in one local authority. Full autonomy for staffing creates a risk of staffing competition developing between schools potentially leading to wage inflation and competitive advertising of posts. In Angus we have effective whole authority approaches to recruitment to which our headteachers play a part. Full devolvement of staffing arrangements to individual schools will create increased administrative burden especially in small schools where headteachers also have a considerable class teaching commitment. The creation of any new or additional posts would require careful control and risk management and responsibilities in relation to equal opportunities need to be safeguarded. Arrangements also need to retain an overview of the experience of students and probationers to ensure they have a quality placement and secure induction to the profession. This requires local as well as administrative knowledge. What consideration has been given to the job-sizing implications for an enhanced role for headteachers?

5.8 Question 8

Do you have any other comments about fair funding for schools?

It is unclear from section 1.4 in the consultation document which central support services are in or out of scope for consideration. It suggests that educational psychologists are out of scope. It is not however clear whether other centrally based officers are in or out of scope. It is not clear which aspects of additional support needs are or are not in scope. IT services are deemed out of scope but schools can currently purchase some of their own IT if they wish.

It is concerning to read in section 2 of the consultation document the assertion that schools funding 'lacks transparency'. A Devolved Scheme of Management (DSM) is in place for which national best practice guidance exists. Section 2.2.2 of the consultation states that it is for local authorities to determine how much funding should be allocated to education. This should of course be qualified with a statement that this happens with the national context of requirements around pupil-teacher ratio. It would be helpful to have sight of the evidence base that led to assertion in the consultation document in section 2.3.2 that states that the 'portion of budget delegated to headteachers appears to have reduced in recent years'. This section also states that DSM schemes are not fulfilling their aims but does not give that same scrutiny to the national policy of the maintenance of pupil-teacher ratio.

Section 3.1.1 implies there is a lack of fairness in average spend per pupil across Scotland. If this is based on the Local Government Benchmark Framework, it should be noted that the context of each authority may impact on some of these costs for example how early years is provided and the financial impact may mean we are not comparing like with like. It should also be noted that the rural nature of some authorities impacts on the cost per pupil, not just in terms of travel, but the running costs of more, smaller schools. In times of increased financial pressure on the public pound, it seems counter-intuitive to measure success only in terms of average spend per pupil. This section goes on to criticise a lack of funding allocated directly in response to Additional Support Needs or deprivation, stating that the majority of funding is allocated on the basis of pupil number. This is required to maintain pupil-teacher ratio.

It is noted in the two potential funding models outlined in section 4, benefits of each approach are highlighted in the absence of any disadvantages illustrated. There is insufficient information about both proposed models in order to respond meaningfully. There is a real danger that the future of Scottish education focuses on finance and structures. Focusing on governance arguably means that attention is not where it is needed to be – on learning and teaching and what happens in the classroom. Lessons should be learnt from historical approaches to devolvement of finance such as new community schools. In some instances the focus shifted to how to spend money, not on how to improve outcomes. If the pupil-teacher ratio remains, there is very little scope for budget flexibility regardless of where the governance lies.

There is only one public pound and it is essential that finance is used effectively to add value. Fair funding is an essential feature of an equitable system alongside, early childhood health and care, wellbeing in school, curriculum for equity and early intervention. Education systems don't improve when there is standardisation: competition, test-based accountability, school autonomy and a core focus of excellence. They do better where there is customisation: a focus on collaboration, trust-based responsibility, collective autonomy, and equity (Pasi Sahlberg, ADES Annual Conference, 2016).

6. FINANCIAL IMPLICATIONS

6.1 There are no current financial implications arising from this report.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

'Education Governance: Fair Funding to Achieve Excellence and Equity in Education'

'Education Governance: Next Steps, Empowering our Teachers, Parents and Communities to Deliver Excellence and Equity for our Children'

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