Finance Committee

Report on the Education (Scotland) Bill’s Financial Memorandum
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Finance Committee

1. The remit of the Finance Committee is to consider and report on-
   a. any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
   b. any report made by a committee setting out proposals concerning public expenditure;
   c. Budget Bills; and
   d. any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

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Introduction

1. The Finance Committee issued a call for evidence on the Financial Memorandum (FM) of the Education (Scotland) Bill in January 2015. The Committee received eight responses to its call for evidence, of which four came from local authorities. Responses were also received from COSLA, Bòrd na Gàidhlig, the General Teaching Council for Scotland (GTCS) and the Scottish Council for Independent Schools (SCIS).

2. To explore further the issues raised in the responses the Committee then took oral evidence from Scottish Government officials on 27 May 2015.

3. A letter from Scottish Government officials drawing to the Committee’s attention a number of minor errors in the FM was received in advance of the evidence session. A further letter was received on 11 June after the Committee requested additional information in relation to the attainment fund during the oral evidence session.

4. The Policy Memorandum states that a key element of the Programme for Government “is new legislative provision in the Education (Scotland) Bill placing additional responsibilities on the Scottish Government and education authorities aimed at promoting equity in education and raising attainment for all.”

The Financial Memorandum

5. The FM states that the Bill is intended to—

- **Part 1**: Promote equity of attainment for disadvantaged children and take steps towards narrowing the attainment gap by imposing duties on education authorities and the Scottish Ministers in relation to reducing pupil’s inequalities of educational outcomes together with a duty to report on progress;

- **Part 2**: Place a duty on local authorities both to assess the need for Gaelic medium primary education (GMPE) following a parental request and to actively promote and support Gaelic medium education (GME) and Gaelic learner education (GLE); the Bill will also place a duty on Bòrd na Gàidhlig to prepare guidance on how GME should operate in Scotland;

- **Section 17**: Extend rights under the Education (Additional Support for Learning) (Scotland) Act 2004 (as amended) (“the 2004 Act”) to children aged 12 and over with capacity (sufficient maturity and understanding) to use their rights;

- **Section 18**: Amend section 53 of the 1980 Act which sets out the provision for school food in Scotland. This section has been amended a number of times since enactment and it is considered that the section would benefit from restatement;

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1 The Scottish Attainment Challenge was launched by the First Minister in February 2015. The Challenge “will be backed by an Attainment Scotland Fund of more than £100 million over four years to drive forward improvements on educational outcomes in Scotland’s most disadvantaged communities.”

Finance Committee
Report on the Education (Scotland) Bill’s Financial Memorandum, 2015 (Session 4)

- **Section 19**: Modify the types of complaints which may be made to Ministers under section 70 of the Education (Scotland) Act 1980 (“the 1980 Act”), and introduce a power to make regulations about the procedure to be followed in relation to investigations and determination of complaints; and to

- **Section 20**: Legislate for the role of Chief Education Officer in local authorities in Scotland;

- **Sections 21 and 22**: Modify the powers of the Scottish Ministers to make regulations in relation to independent schools and grant-aided schools in Scotland so they are exercisable in such a way as to ensure all teaching staff are registered with the GTCS;

- **Section 23**: Amend section 47(3)(b) of the Children and Young People (Scotland) Act 2014 (“the 2014 Act”) as it currently unintentionally excludes a small group of children from the early learning and childcare provisions.

6. The FM provides a table summarising the estimated total costs of the Bill’s provisions which is reproduced below—

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**Part 1: Promote equity of attainment for disadvantaged children and closing the attainment gap**

7. The FM estimates that the Government will incur one-off costs “in the region of £50k including preparation, consultation, analysis, review and printing costs” in relation to Part 1. It states that these relate to current staff time and will be met by existing budgets so have not been highlighted as new costs in the FM.

8. With regard to local authorities, the FM states that—

> “the proposed equity and attainment provisions are complementary to a number of existing statutory responsibilities, policies and programmes, such as the duty in section 2 of the Standards in Scotland’s Schools Act 2000 which places a general duty on local authorities to look beyond the general provision of school education and to focus on the development of all individual children in providing education and Getting it right for every child.”
9. As such, the FM suggests that “any additional cost created by these provisions will be minimal and should be absorbed within existing budgets.” However, respondents that commented on the duty did so largely on the basis of actions they considered would be required to fulfil it that were not addressed in the FM.

10. Fife Council, for example, suggested “there are likely to be significant additional costs to councils in terms of equity in attainment for disadvantaged children – these potential ongoing additional costs are not reflected in the FM.”

11. Expanding on this point, Fife Council stated—

> “Whilst the additional expenditure in promoting equity of attainment may not be significant, the real cost is in the additional investment that may be required to assist children to better achieve. This will vary depending on the demographic and social circumstances of the individual child – it is not possible to estimate this cost at present (and the FM does not request this) but the investment required could be significant if the ambition articulated in the legislation is to be achieved for every child.”

12. Similarly, East Lothian Council (ELC) stated that it—

> “would challenge the assumption that the need for early and deep intervention with both the child and their family to close the gap needs no further investment. For example our lowest 20% in P1 and P2 total 484 children and many of these would benefit from a deeper more intensive intervention than current budgets allow, particularly given the population growth in the county.”

13. South Lanarkshire Council (SLC) also stated—

> “The Scottish Government has made £100m available via the Scottish Attainment Challenge Fund. However, there is a lack of clarity and transparency over how the money has been allocated and how it is connected to the Bill and the Getting it right for every child agenda.”

14. In a letter to the Convener of the Education and Culture Committee in relation to the attainment fund, the Cabinet Secretary for Education and Lifelong Learning stated that—

> “The first tranche of £20 million will be targeted at the seven local authorities with the highest concentration of primary age children from households in deprived areas – these have been identified as Glasgow, Dundee, Inverclyde, West Dunbartonshire, North Ayrshire, Clackmannanshire and North Lanarkshire.”

15. The letter further stated that the Government would “continue to work with other authorities to identify additional areas for inclusion in future years” and intended to—
work closely with these local authorities to develop a clear, bespoke improvement plan for their particular context. In addition to significant financial support, authorities can expect the dedicated support of educational and improvement experts with easy access to evidence and research. As part of this work we will identify the necessary resource investment required and work out allocation on the basis of need.”

16. In response to questioning from the Committee, the Bill Team confirmed that the Bill, the attainment fund and the GIRFEC (getting it right for every child) agenda were related and formed part of a broader package of measures aimed at tackling the attainment gap. This package would include the recruitment of 32 attainment advisers to support local authorities and to share best practice along with the establishment of literacy and numeracy hubs across the country.

17. When the Committee expressed surprise that the FM expected the duty to have no significant costs despite this being a key element of the Bill, the Bill Team stated that a lot was already being done and that the duty was intended to ensure that this momentum was sustained.

18. Asked whether the lack of identified costs in the FM resulted from a timing issue and if, for example, costs would have been attached if the Bill had been introduced a year ago, the Bill Team explained that an assessment of current investment had been undertaken when the FM was being drafted to determine whether further funding would be required to deliver the duty. For the purposes of the FM, the Government had focused “on the costs directly associated with the new legislative proposals.”

19. In respect of those local authorities which had not received funding from the attainment fund to date, the Bill Team reiterated that other forms of support were being provided and confirmed that “discussions are on-going about how we can support the other local authorities that also face challenges.”

20. When it was put to the Bill Team that 25 local authorities would have a new duty placed on them for which they would receive no additional funding, at least in the first year, the Bill Team stated that the focus should not be placed solely on the attainment fund and again highlighted that a range of measures were being taken in conjunction with all local authorities to close the attainment gap.

21. Expanding on the rationale underlying the duty and the question of whether local authorities would require additional resources to meet it, the Bill Team stated—

“The purpose of the duty is to ensure that due regard is given to the desirability of addressing this issue and to ensure that, where resources are allocated, the decisions that are made attach priority to narrowing the attainment gap. We recognise that local authorities work in a financial envelope and that they have a limited budget to allocate. Indeed, the duty takes account of that. A due regard duty suggests that priority must be attached to an issue but that other factors can also be taken into account when reaching decisions. A factor is the finances that are available to local government. We recognise that local authorities are working with a budget;
the issue is about how they use that budget to place particular emphasis on the need to address the attainment issue."^2

22. When asked about the period over which the attainment fund would be in place and “whether that £100 million is an annual figure, or how many millions we should add to those columns for each of the five years covered by the financial memorandum, so that we can see how much is being invested” the Bill Team undertook to provide clarification in writing.\(^3\)

23. The letter received on 11 June confirms that “the Attainment Challenge Fund is a targeted initiative over four years, with £20m allocated for 2015-16.” It does not provide the annual breakdown for future years as requested by the Committee.

24. The letter states that the attainment fund “is intended to help all councils and schools consider how best to use their existing resources to support pupils from more deprived backgrounds” and reiterates the Government’s position that—

> “The new duty proposed in the Education (Scotland) Bill is framed to require that education authorities have due regard to the desirability of reducing inequalities of outcome through the delivery of education. It does not demand that education authorities spend more money than at present.”

25. The Bill Team also agreed to provide further information in writing about other measures being taken to close the attainment gap to the Committee.

26. The letter received on 11 June provides examples of some of the existing initiatives and programmes as follows—

> “These include the Early Years Collaborative and Raising Attainment for All programme; providing Attainment Advisors in every council area; the P1-3 Read, Write, Count campaign; the £1.5 million Access to Education Fund; supporting teachers to raise standards in teaching and learning through implementing Teaching Scotland’s Future and establishing the Scottish College of Educational Leadership; expanding eligibility for Education Maintenance Allowances; and Developing the Young Workforce – Scotland’s Youth Employment Strategy."

27. **Whilst the Committee recognises that the attainment fund is not a direct provision of the Bill, it is clear that the fund forms a significant part of the wider package of measures aimed at delivering the outcomes which the new duty seeks to achieve. The Committee is therefore concerned that the requested breakdown of the fund’s expected allocation by year has not yet been provided.**
Part 2: Expand provision of Gaelic medium education

**Duty to promote Gaelic medium education**

28. The Bill includes a duty to promote GME and the Government is expected to incur related costs totalling £75k in 2017-18. This baseline cost is expected to increase by £47.5k per year thereafter.

29. When asked for the rationale behind the ongoing annual increase (in comparison to the Children’s Rights section of the FM where costs are expected to stabilise from the year after implementation onwards), the Bill Team explained that the assumption was that more local authorities would request support each year and may require it on an ongoing basis. However, it was also suggested that there was potential that local authorities might not require such support to continue in the longer term as GME becomes “mainstreamed.”

30. In response to questioning about the point at which GME would be defined as “mainstreamed” and no longer in need of additional support, the Bill Team explained that requests for additional support were considered as they arise and that the Government was discussing the matter, along with any additional resources that would be needed, with local authorities.

31. The FM also expects local authorities to incur costs (estimated at between £1,000 and £30,000 per local authority) as a result of the duty. The FM’s expectation is that five local authorities will incur costs “at the high end” (£30k) and 27 at “the low-end” (£1k) giving a total of £177k. As local authorities are currently estimated to spend £110k on the promotion of Gaelic, this amounts to an increase of £67k per annum from 2016-17.

32. The FM states “in 2014/15, twenty-three local authorities received Gaelic Specific Education Grant totalling £4,482m.” Scottish Government officials have confirmed that this should read £4.482m.

33. The FM confirms that these funding streams will continue to be available at 2015-16 levels regardless of the Bill’s provisions.

34. Whilst welcoming the Government’s commitment to maintaining specific grant schemes to support local authorities in delivering Gaelic education at 2015-16 funding levels, Bòrd na Gàidhlig suggested that a “complete review should be undertaken of the Gaelic Specific Grants Scheme” in order to reflect the new realities that the Bill is likely to generate.

**Duty to support Gaelic medium education**

35. The FM suggests that the Government and Bòrd na Gàidhlig will incur one-off costs of £15k and £60k respectively in relation to the preparation and publication of statutory guidance. These costs are expected to be met from existing resources.

36. However, Bòrd na Gàidhlig stated that “significant work” would be required “to model/map and develop a robust framework” and that this would be a new demand for it and would require a new dedicated resource—
“It is not appropriate to suggest this is a “one-off cost”. Bòrd na Gàidhlig will require a dedicated resource to research, collect data and develop the evidence base required to advise interested stakeholders on whether requests to provide GMPE can be substantiated by evidence.”

37. The lead committee may wish to invite the Cabinet Secretary to respond to Bòrd na Gàidhlig’s concerns regarding the resourcing of its role in respect of the duty to support GME.

38. The FM acknowledges that the duty to promote GME can be expected to create additional demand although it suggests that as numbers and class sizes in some GME units are currently “quite low,” this could improve value for money by increasing the number of pupils in a class.

39. The FM states that “the establishment of new GME units is, by virtue of their small numbers, irregular and unpredictable.” By way of example, it states that three GME units have opened in the last six years...after a number of years in which no new units opened.”

40. The FM states that it is also difficult to predict the effect the Bill will have on the rate at which new GME units open but suggests that “a reasonable estimate” would be that the Bill will result in the opening of one new unit every two years “beyond those which would have opened in any event.”

41. COSLA pointed out that the Bill Team, in evidence to the lead committee, had expressed confidence that the Bill would “lead to faster growth in Gaelic-medium education throughout Scotland” and suggested that this appeared inconsistent with the FM’s estimates for the number of new units required.

42. Fife Council also suggested that “the potential for expansion in the period covered by the FM (2016-2021) is modest and potentially understated.” It further stated that “the cost of setting up a unit would be significant and councils would have to consider the long term viability and affordability of such a unit.”

43. Bòrd na Gàidhlig also stated that whilst it might be reasonable to assume that past demand levels could be indicators for the future, it believed there to be “significant latent demand” for GMPE across Scotland. Giving parents the right to request GMPE through a transparent and accountable service would be likely, it suggested, to give rise to additional requests beyond “normal” levels.

44. Bòrd na Gàidhlig further stated that it was “inevitable” that new resources would be required and suggested that the Government “should signal that where demand is significantly above accepted “normal” levels, then additional resources should be made available to support the delivery of provision and the expectations of parents in requesting GMPE, as articulated in the Bill.”

45. However, Bòrd na Gàidhlig also stated that based on current knowledge of demand, the FM’s estimation of costs was “reasonable.”
46. When asked to comment on suggestions that demand for GME might be greater than expected, the Bill Team reiterated that its estimates were based on the fact that three new units had been established in the last six years. Therefore, an increase to one new unit per year (bearing in mind that the FM refers to new units beyond those that would have opened in any event) could be considered “significant” yet “modest” growth.4

47. The lead committee may wish to seek clarification of the Government’s intentions with regard to monitoring the rate at which new GME units are opened. It may also wish to invite the Cabinet Secretary to confirm the Government’s intentions should this outstrip the rate estimated in the FM.

Costs for new Gaelic medium education units

48. The FM notes that recent capital costs for new GME units have varied from £40k to £200k. For the purposes of the FM, the Government has assumed an average one-off capital cost of £100k per unit followed by an average recurring revenue cost of £80k per annum.

49. The FM states that teacher costs also vary but “are in the region of £35k to £75K with an additional £5k for support for every GME unit.” Stòrlann (which provides and distributes Gaelic educational resources) is also expected to require additional funding of £10k for each new GME unit.

50. Bòrd na Gàidhlig, however, stated that whilst the resources for Stòrlann appeared sufficient based on current demand profiles, increased demand for GMPE could be expected to lead to increased demand for secondary provision. This in turn would “require additional human and financial resources to meet increased demand for teaching materials to support schools and Local Authorities, including support systems for parents.”

51. The FM confirms that the Government provides grant of up to 75% to support a Gaelic Specific Education Grant and a Gaelic Schools Capital Fund and that therefore, local authorities are only expected to cover the remaining 25%. On the basis of the capital and revenue costs for new GME units outlined above, local authorities across Scotland could therefore be expected to incur one-off capital costs of £25k and ongoing revenue costs of £20k for each new GME unit (with one new unit expected to open every two years on average).

52. SLC stated that the level of capital spend outlined appeared a reasonable assumption as it would look to adapt existing accommodation if required. However, it further stated that it had no plans to expand provision and would be unable to do so “unless full funding for both capital and ongoing revenue spend was made available” as opposed to the Government’s expectation of the 75%/25% split continuing.

53. In response to questioning from the Committee about the availability of funding the Bill Team confirmed that two grant schemes were in place (capital and revenue) and the Government welcomed bids from local authorities “to help with the expansion of Gaelic-medium education.”
54. The Committee also raised the issue of concerns regarding the availability of teachers, particularly in areas where Gaelic was less widely used. The Bill Team acknowledged that this had “always been a serious concern” which affected some areas more than others, but pointed out that numbers had improved in recent years as a result of measures put in place by the Government. Whilst concerns about the number of qualified teachers remained, the Government would continue to work with partners in local authorities, educational bodies and Bòrd na Gàidhlig to address the issue.

**Assessment of parental requests**

55. The Bill will require local authorities to assess the need for GMPE following a parental request and the FM states that “this may result in new GMPE provision being established.”

56. The FM suggests that “the process for a local authority to respond to a parental request could be managed by two local authority officers as part of their workload over a period of about fourteen weeks. This cost has been estimated at £25k p/a per request.”

57. Most local authority respondents agreed that they would be able to absorb the cost of responding to parental requests as part of normal business.

58. When the Committee suggested that £25,000 appeared to be a high amount to spend on dealing with a single request, the Bill Team explained that it had worked with local authority colleagues to assess the time it would take for officials to complete the necessary work and then attempted to calculate the percentage of their salary that this would amount to. The work would include drafting reports and liaising with bodies such as Education Scotland and Bòrd na Gàidhlig as well as advising elected members.

59. However, the Bill Team pointed out that the new process would be “much shorter and less burdensome than the current process” which could take several years. It could therefore be argued that the move to “a timed and transparent process” would “be much cheaper in terms of local authority time.”

60. In terms of the number of requests, the FM expects “modest growth with only one parental request over a two year period” explaining that—

> “This estimate is based on the frequency of new GME units being set up over recent years and information on where there is currently GME early years provision where parents may wish GMPE for their children.”

61. On this basis, the FM estimates an overall cost to local authorities of “£67k in 2016-17 rising to £142k in 2021 if one new GME unit is established every two years.” The FM expects that local authorities “will be able to meet these new costs by re-allocating funding from within their existing resources for Gaelic.”

62. ELC pointed out that it currently provided GME via a neighbouring authority which was recompensed accordingly. It considered that as demand increases as a result of the higher profile of GME—
“it is unlikely our partner authority could meet demand and therefore, in our case, given schools are at near maximum capacity with population growth in train, it would be likely that either additional partner capacity or a new unit in authority would have to be sourced. We feel the amount specified for a new unit, acknowledging we are unaware of specification appears low.”

63. Fife Council also sought clarification of the FM’s statement regarding the reallocation of existing resources for Gaelic describing it as “an anomaly” as some councils (including Fife) currently received “no funding for Gaelic and would require additional resources if a GME unit was to be set up.”

64. In oral evidence, the Bill Team refuted the suggestion that the Bill imposed a new duty. It cited the Education (Scotland) Act 1980 which “provided that children should be educated in line with their parents’ wishes” along with the Standards in Scotland’s Schools etc Act 2000 and in the Gaelic Language (Scotland) Act 2005. The Bill, it was argued, simply placed “a new structure or shape on the duty that is already on local authorities to provide education and to provide Gaelic-medium education if that should be the parents’ wish.”

65. On that basis, the Bill Team stated that it was—

“reasonable and legitimate to expect Gaelic education to be funded from the local government settlement because, after all, it is just the education of young people in schools.”

66. The lead committee may wish to seek clarification of the Government’s intentions with regard to monitoring the rate of parental requests. It may also wish to invite the Cabinet Secretary to confirm the Government’s intentions should this outstrip the rate estimated in the FM.

67. The lead committee may also wish to invite the Cabinet Secretary to respond to the “anomaly” raised by Fife Council regarding the reallocation of existing resources for Gaelic.

Section 17: Extending rights to children under the additional support for learning legislation

68. The Bill will require the Government to establish “a nationally available children’s support service” to support children in properly exercising their rights.

69. The FM states that the Government intends to achieve this through the extension of existing grant-funded services where practicable, and by the creation of new services when necessary, as follows—

- Advice and information service: additional grant funding of £77k per annum to Children in Scotland (the current provider).
• Children’s advocacy and children’s legal advice and representation: new service required requiring grant funding of £150k per annum.

• An independent service to obtain views of children: additional grant funding of £73k per annum to Children in Scotland to extend current service.

70. The FM expects that a single organisation will manage delivery of these services and estimates that funding of £157k will be required in the first year with full running costs expected to be around £300k per annum from 2017-18.

71. The Bill will introduce a right for parents and children to make a referral to the Additional Support Needs Tribunal for Scotland (ASNTS) in relation to an education authority’s decision. The Scottish Courts and Tribunals Service will support the administration of these tribunals. The FM estimates that there may be up to 50 such referrals per year.

72. The approximate cost per referral is expected to be around £600. Therefore the FM expects the ASNTS to incur additional costs of around £30k per annum.

73. Table 3 of the FM summarises the total estimated costs per annum on the Scottish administration in relation to extending the rights to children under the additional support for learning legislation. This shows estimated additional costs of £187k between September 2016 and March 2017 rising to £330k per annum thereafter.

74. With regard to potential costs on local authorities, the FM does not anticipate any significant additional costs to arise as the likelihood of these rights being used by children is considered to be “rare”. However it states that—

“In light of the fact that it has not been possible to establish a baseline for the number of children who may use their rights, and as a result of the experience in other jurisdictions where rights have been extended but not been used at all, it has not been possible to cost the rights either individually or collectively. It has not been possible to accurately assess the cost of extending rights and an estimated amount has not been included in this memorandum.”

75. The FM goes on to confirm that as it is possible that some costs may arise, “it is intended that implementation of the rights will be reviewed following commencement to ensure that costs on the administration are recognised.”

76. SLC agreed that related costs were likely to be minimal although Fife Council stated that any associated costs were “difficult to anticipate.” ELC noted that in its area, the “number of ASN referrals emanating from pre-nursery and nursery has increased by 88% in just the last 5 school sessions,” placing “a prioritisation requirement on educational psychologists and other ASN teams.”

77. The ability to reallocate teachers to these vulnerable groups, ELC stated, was “being explored against the backdrop of the teacher number guarantee.”
78. ELC therefore felt “compelled to point out the additional burden that will be placed on local authorities as a result of increasing ASN rights” which, it considered, would increase ASN referrals as a whole.

79. When asked by the Committee whether the FM’s estimates were based solely on the tribunal process or whether the potential costs of any additional ASN places that might arise had been factored in, the Bill Team confirmed that the estimates were “based on costs across all the rights and not on the tribunal alone.”

80. The Bill Team also noted that the FM’s estimates were based on the experience of the Welsh tribunal where children had the right to make a Special Education Needs appeal for a pilot period of eighteen months from March 2012 during which no appeals were made.

81. The Bill Team suggested that ELC’s concerns “may be premised on the belief that both children and their parents will use their rights, but in fact it will be one or the other and not both.” Whilst it was recognised that there may be some additional requests and resulting costs, the Bill Team had been unable to model the costs “partly because we were unable to establish the cost of the rights and partly because of the experience of other jurisdictions” and if anything, the FM’s estimates had “erred on the side of caution.”

82. When it was suggested that the Bill would raise the profile of the existing right for parents to appeal against a decision taken by an education authority, the Bill Team confirmed that the Government had anticipated this possibility and intended to review the situation “one year on from the commencement of the Bill.”

Section 21: Compulsory GTCS Registration

83. The FM notes that the introduction of compulsory GTCS registration for currently unregistered teachers at independent and grant-aided schools will lead to costs for those teachers in this position.

84. It further notes that “there may be financial consequences for the smaller special schools within the independent sector who may find it a challenge to attract GTCS registered teachers and this may affect the school’s ability to continue to operate.” However, the FM expects this risk to be mitigated by the proposed transitional arrangements which are expected to allow up to two years before all teachers are registered.

85. The SCIS stated that whilst the FM had identified the financial consequences for smaller schools, it had failed to do so for mainstream schools, particularly those offering an international curriculum, which might encounter problems in recruiting registered teachers “of high calibre in a specific subject.”

86. Expanding on this point, the SCIS stated that the FM had only considered the costs of registration fees (£83 for initial registration followed by an annual fee of £50) and did not “take into account the costs to schools/individual teachers of undertaking additional qualifications, if required, in order to meet GTCS registration requirements.”
87. Noting that the Business Impact Regulatory Assessment referred to 732 unregistered teachers as of September 2013 of whom 240 would face “greater difficulties” in meeting GTCS requirements, the SCIS sought “greater clarity around the difficulties anticipated” and asked “what support (including financial) would be offered to those individuals/schools if GTCS registration becomes mandatory.”

88. The SCIS gave examples of possible courses which unregistered teachers might be required to undertake, ranging from £940 to £3,995 in cost, and suggested that a more flexible approach to registration (for example recognition of service in lieu of qualifications) would help to reduce costs.

89. Until further discussions with the GTCS had taken place, the SCIS considered there to be a high margin of uncertainty around additional training costs. Furthermore, the SCIS considered the proposed two-year transitional period to be “a very tight timeframe” given the uncertainty over what would be required and the potential time commitment involved in undertaking further qualifications.

90. When asked to respond to these comments, the Bill Team pointed out that “the independent sector has a long-standing commitment to working towards voluntary registration.” With regard to potential training-related costs, the Bill Team assured the Committee that the Government needed “to take as flexible approach as we can for the purposes of the transitional arrangements” and that discussions were planned with the GTCS and the SCIS to agree the transitional arrangements.

91. The Bill Team also confirmed that it was considering the options for alternative registration categories which, for example, might focus on “assessing an individual’s existing skills and knowledge” without requiring them to secure additional formal qualifications.

92. The SCIS also sought clarification of who would be responsible for collecting data relating to teachers in independent schools. It noted that the Government no longer collected such data through an annual census and felt it would be inappropriate for it to do so as it was not a regulatory body.

93. The GTCS stated that the FM did not “adequately reflect the full nature of the work that needs to be undertaken by it to deliver on the registration of all teachers in independent and grant aided schools,” particularly in relation to the preparatory work needed to establish the necessary framework.

94. The GTCS provided a detailed breakdown of the £15,000 costs it considered would be needed for it to meet the Bill’s requirements and suggested that the Government should make a one-off payment to cover them.
95. The lead committee may wish to invite the Government to provide clarification in response to the query from the SCIS regarding who would be responsible for collecting data on teachers in private schools.

96. The lead committee may also wish to invite the Government to respond to the suggestion from the GTCS that the FM underestimated the work it would need to undertake to deliver on the registration of all teachers in independent and grant aided schools.

Conclusion

97. The lead committee is invited to consider this report as part of its scrutiny of the Bill.
Annexe A – Correspondence from the Scottish Government prior to 27 May meeting

SCOTTISH GOVERNMENT TO THE FINANCE COMMITTEE, DATED 26 MAY 2015

Education (Scotland) Bill Financial Memorandum

Please accept my apologies that 3 errors have been identified in the Financial Memorandum which accompanies the Education (Scotland) Bill:

- Table 4 (summary of estimated costs on Scottish Government) on page 84 the Gaelic medium education figures are not consistent with the GME figures provided in Table 2 (estimated costs of supporting GME/establishing new units) on page 80. The figures in Table 2 are correct therefore the figures in Table 4 are incorrect. Table 4 should read as follows:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>2016/17 £k</th>
<th>2017/18 £k</th>
<th>2018/19 £k</th>
<th>2019/20 £k</th>
<th>2020/21 £k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children's rights</td>
<td>187*</td>
<td>330*</td>
<td>330*</td>
<td>330*</td>
<td>330*</td>
</tr>
<tr>
<td>Gaelic medium education</td>
<td>-</td>
<td>72.5**</td>
<td>107.5**</td>
<td>142.5**</td>
<td>177.5**</td>
</tr>
<tr>
<td>Total costs</td>
<td>187</td>
<td>402.5</td>
<td>437.5</td>
<td>472.5</td>
<td>507.5</td>
</tr>
</tbody>
</table>

- There is a small typo in paragraph 34 on page 85 – the amount should read £4.482m.

- On page 89, the Memorandum should have included a reference to Section 19 of the Bill which deals with improving the process of consideration of section 70. There is no anticipated additional costs on other bodies.

Yours sincerely

KIT WYETH
Annexe B – Correspondence from the Scottish Government following 27 May meeting

WRITTEN SUBMISSION FROM THE SCOTTISH GOVERNMENT TO THE FINANCE COMMITTEE, DATED 11 JUNE 2015

At the 21 May evidence session for the Education (Scotland) Bill, my colleague Scott Wood undertook to return to you with further information on the Scottish Attainment Challenge and the broader package of measures the Scottish Government is taking forward, in support of raising attainment and reducing inequalities of outcome. I am writing to you now, to provide that information.

The First Minister launched the Scottish Attainment Challenge in Dundee in February to bring a greater sense of urgency and priority for everyone involved in Scottish education to relentlessly focus efforts on narrowing the gap, at all levels, in all sectors and in all parts of Scotland. The Challenge has three components: developing and expanding universal support for all schools and councils in Scotland, the £100m Attainment Scotland Fund, and the National Improvement Framework which will support the Challenge by giving us the data and evidence we need to ensure that every child can achieve the high standards set out within Curriculum for Excellence.

The universal support element of the Challenge builds on existing initiatives and programmes that are focussed on reducing the attainment gap and which are available in all areas of Scotland. These include the Early Years Collaborative and Raising Attainment for All programme; providing Attainment Advisors in every council area; the P1-3 Read, Write, Count campaign; the £1.5 million Access to Education Fund; supporting teachers to raise standards in teaching and learning through implementing Teaching Scotland’s Future and establishing the Scottish College of Educational Leadership; expanding eligibility for Education Maintenance Allowances; and Developing the Young Workforce – Scotland’s Youth Employment Strategy.

The Attainment Advisors will work with councils to support and co-ordinate appropriate interventions based on available evidence of pupil progress and achievement. They will help build the capacity of practitioners and leaders to undertake self-evaluation and to plan effectively to support continuous improvement. Education Scotland will work closely with councils to ensure that this approach supports work already underway locally to raise attainment and will support the Attainment Advisors to work across council boundaries, encouraging sharing of best practice on a broader scale.

The Attainment Scotland Fund is a targeted initiative over four years, with £20m allocated for 2015-16, focused on supporting pupils in the councils with the highest concentrations of deprivation. Initially, seven councils have been identified to participate in the Fund, on the basis of the proportion of primary aged pupils who live in the most deprived SIMD quintile. We are now working with them to identify their priorities for action and will allocate resources on the basis of their proposals. Ministers
have been clear that we will work with other councils to identify and respond to areas where there are pockets of severe deprivation as the programme progresses, so the Attainment Scotland Fund will support more than just the seven councils announced so far.

The Scottish Attainment Challenge is intended to help all councils and schools consider how better to use their existing resources to support pupils from more deprived backgrounds. Some initiatives and programmes, such as the Developing Young Workforce programme and Access to Education Fund, do provide additional funding at school or council level or to individuals, whilst others provide support in the form of advice, guidance or staff development programmes.

Councils spent over £4.8 billion on the provision of education in 2013/14, of which just under £3.8 billion was on primary and secondary education. The new duty proposed in the Education (Scotland) Bill is framed to require that education authorities have due regard to the desirability of reducing inequalities of outcome through the delivery of education. It does not demand that education authorities spend more money than at present. Indeed, in their 2014 report on school education, the Accounts Commission specifically stated that “spending more money on education does not guarantee better pupil performance.” Rather, the Bill requires that when allocating resources, priority is given to narrowing the attainment gap.

The Accounts Commission highlighted that councils should be targeting resources to improve educational achievement; and identified the need for stronger strategic planning, focusing on the most important priorities for improvement. It is this that we are seeking to achieve through the attainment duty.

I hope this information is helpful to the Committee in its consideration of the Bill.

Yours sincerely,

Kit Wyeth
Head of Strategy & Performance Unit