6 February 2020

Pre-Budget Scrutiny

I would like to thank you again for your letter of 30 September 2019 regarding the Committee’s pre-budget scrutiny of the Scottish Budget 2020-21.

This year’s Scottish Budget is taking place in exceptional circumstances caused by the UK Government. The significant delay to the UK Budget and the associated uncertainty have had a serious effect on the Scottish Budget, and its introduction has been delayed as a result.

As a consequence, the Scottish Parliament’s time for consideration of the Scottish Budget will be reduced if a new Budget Act is to be in force for 1 April 2020, which the Government considers essential.

Scottish Ministers are appreciative of the Scottish Parliament’s understanding and flexibility in these circumstances. In keeping with this, I am providing this response to the committee’s pre-budget scrutiny report today, on the day that the Scottish Budget is published, to inform the committee’s consideration of the Budget.

Improving the life chances of our children and young people through excellence and equity in education continues to be the principal mission of this Government. The Education and Skills portfolio invests in changing lives for the better and underpins key Government priorities, in particular, promoting population wellbeing, tackling child poverty, and building sustainable and inclusive economic growth.

I commend the continuous work undertaken by the Committee to improve Education for all. I note and welcome further scrutiny later in the parliamentary session.
Please find attached the Scottish Government's position in response to the comments raised in your letter.

JOHN SWINNEY

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www.gov.scot
Response to Education and Skills Committee letter on 30 September
John Swinney Deputy First Minister and Cabinet Secretary for Education and Skills

Additional Support for Learning

The Scottish Government is providing £15 million in the financial year 2019-20 to improve the implementation of additional support for learning across Scotland. From 2020-21, this funding has been baselined into Scottish Government budgets.

Scottish Government and Local Authority Leaders reached a joint agreement on the distribution of funding and a set of aims and principles for the delivery of support for the implementation of Additional Support for Learning on 29 November 2019.

The funding is being distributed based on pupil numbers. The implementation of this commitment will be monitored through the national statistical collection on pupil support staff in schools.

Working in partnership with local government we will use this funding to secure additional frontline staff in this academic year. The aims and principles, which have been agreed with Local Authority Leaders, make clear that this funding is intended for the provision of pupil support staff in schools.

We will ensure through the joint agreement that the additional resource will build capacity within education authorities and schools to respond more effectively to the individual needs of children and young people. The additional frontline support staff provided will improve and enhance the capacity of education authorities to deliver additional support for learning, leading to better experiences for children and families and ensuring they receive the right help at the right time.

Pupil Equity Funding

You will recall I wrote to you on 31 October to inform you of the publication of Pupil Equity Funding spend information for 2018-19, and provided the following summary:

£122.258m Pupil Equity Funding was allocated in 2018/19, which, alongside the £47.667m carry over from 2017/18, meant there was almost £170 million of PEF available for schools in 2018/19. £132.266m of this was spent across Scotland, which equates to 78% of available PEF, a significant increase from the £72.540m spent in 2017/18 which equated to 60%. Cumulatively, over 2017/18 and 2018/19, £204.306m has been invested of the £242.466m (84%) allocated PEF across the two years, with £37.660m carried forward.

Detailed figures showing 2018/19 Pupil Equity Funding levels of spend, at both Local Authority and School level, are available to access here:-
https://www.gov.scot/policies/schools/pupil-attainment/

In 2020/21 we will again allocate £182 million to the Attainment Scotland Fund, including £120 million in Pupil Equity Funding to be spent at the discretion of head teachers to close the attainment gap. I will write to you again as soon as the Pupil Equity Funding allocations for 20/21 have been published.
Colleges and Universities

I am grateful to the Committee for highlighting the importance of both Audit Scotland reports. I recognise the important contribution that our universities and colleges make to Scotland’s economy and the overall diversity of our society. I have listened to the sectors’ views including those of Universities Scotland, Colleges Scotland and NUS Scotland, and reflected on the recommendations within both Audit Scotland reports, and despite the current uncertainty, I believe the draft budget makes the investment case to deliver strong, vibrant and sustainable institutions.

I understand the challenges the Audit Scotland report highlighted facing colleges and believe this budget will both manage the sustainability of the sector and provide the investment for a further education system which meets the needs of all our learners. The draft budget will boost net resource funding in our colleges with a real terms uplift of 3.6%, increasing the allocation to £640 million. This will raise colleges’ ability to support our economy and deliver a well-educated, skilled workforce.

The draft budget also provides up to £3 million for Fife College as part of the new Dunfermline Learning Community Campus. This marks the start of up to £90 million in capital investment in the new integrated campus. Furthermore, the draft budget continues to support the college sector’s investment in their estate capital priorities and we are also committed to bringing forward a medium term estates strategy which will seek to secure investment in the college estate on a planned and prioritised basis.

In relation to university, I have listened to the sector’s views including those of Universities Scotland and NUS Scotland, and reflected on the recommendations within the Audit Scotland report. I have provided a settlement that will support Scotland’s universities and maintain their global reputation, in particular I note Audit Scotland’s findings that the sector overall is in good financial health but some institutions are facing increased financial pressures. In response, the Scottish Government will continue to work with the Scottish Funding Council to support all of our universities.

As I have said in reaching the university settlement offer, I have listened to the sector and reflected on the Audit Scotland report, the draft budget delivers universities a real terms increase in funding, providing £1.14 billion, strengthening and reinforcing the sector’s global reputation and commitment to widening access. We are providing an overall 0.1% real terms uplift the SFC higher education budget while ensuring continued availability of financial transactions to support carbon reduction projects as well as those aimed at improving campus estates, student experience and promoting collaborative activities.

The committee should note that the 2020-21 Draft Budget will also see the re-classification of research related spend from resource to capital and is in keeping with the approach taken by the UK Government in relation to research investment. This switch does not reduce the funding available to the sector or change the priorities on which it will be spent. The switch allows us to use our resource and capital budgets more effectively.

It is of course for the SFC to consider how best to allocate funding for both the college and university sectors, who are responsible for managing their own activities to remain financially viable.

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