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Dear Clare

Pre- Budget Scrutiny

Thank you for your letter of 30th September which sets out the Committee’s approach to Pre-Budget Scrutiny. I am delighted that I will have the opportunity to discuss the budget with the Committee on 11th December 2019.

The Cabinet Secretary for Finance, Economy and Fair Work launched our Medium Term Financial Strategy (MTFS) on 30th May this year. The MTFS clearly sets out the challenging fiscal position this government faces as a result of the UK government’s continuing austerity and its economically disastrous pursuit of leaving the European Union. The MTFS also details our Spending Review Framework which sets out our approach to the Resource Spending Review. Our strategic focus will be addressing Scotland’s long-term challenges, notably child poverty, climate change, inclusive growth and wellbeing.

Education remains the top priority of this administration with much of my portfolio budget being preventative and early intervention spend. This helps to tackle endemic societal issues that, if not addressed, would see people fall behind both economically and socially generating significant additional cost to the public purse at a later date. The spend in my portfolio budget supports all four of the Resource Spending Review priorities through the delivery of our commitments including increased Childcare, a world-class education system, protecting the rights of our children and supporting families.
I will be happy to talk through my priorities for the portfolio at our meeting on the 11\textsuperscript{th} December however in the meantime I attach a response to the areas of Committee interest as set out in your letter which I hope will aid the Committee’s budget scrutiny.

JOHN SWINNEY
Additional Support Needs in School Education
The Committee has raised in its letter concerns about funding for those with additional support needs in school education and questioned the accuracy of statistics on the prevalence of different conditions and also the accuracy of statistics on numbers of staff in schools with an additional support needs specialism. The Committee has also asked specific questions about our Programme for Government commitment to invest an additional £15 million to improve implementation of additional support for learning across Scotland. To be helpful I separated out my response to those specific issues below.

The role of local authorities
As I highlighted in my previous response to the Committee Local Government Financial Statistics for 2017-18 showed that local authorities spent £5.22 billion on education in Scotland. This has increased from £5.07 billion in 2016-17 - a 1.0% increase in real terms (3.0% in cash terms). Of that, £628 million was on additional support for learning – increasing from £610 million in 2016-17 – a 0.9% increase in real terms (2.9% in cash terms).

Although the money provided by the Scottish Government to local authorities is allocated using a needs-based formula there is no prescription in relation to how much a local authority should spend on individual services, such as education. The vast majority of the funding provided is in the form of a block grant. It is then the responsibility of each local authority to allocate the total financial resources available to it, including funding for education, on the basis of local needs and priorities having first fulfilled its statutory obligations and the jointly agreed set of national and local priorities including the Scottish Government’s key strategic objectives and manifesto commitments.

Scotland’s local authorities are independent corporate bodies and they are responsible for determining how they deliver local services and as democratically elected bodies they are accountable to their electorates for their decisions. The Scottish Government report on implementation of ASL, including financial reporting, [https://www.parliament.scot/S5_Education/Inquiries/20190326In_report_on_Implementation_pf_ASL.pdf](https://www.parliament.scot/S5_Education/Inquiries/20190326In_report_on_Implementation_pf_ASL.pdf) was published in March.

I have previously indicated to the Committee and to Parliament the implementation of additional support for learning is a matter which I am committed to supporting, indeed we have taken considerable actions over the last 18-24 months to further support implementation. This includes improving consistency of support across Scotland, through improved guidance; building further capacity to deliver effective additional support; and improving career pathways and professional development, including new free training resources for school staff on inclusive practices. In addition, on 30 January, I committed to a review of the implementation of additional support for learning, including where children learn. The review will be independently chaired by Angela Morgan who was appointed on 23 September and will report jointly to CoSLA and Scottish Government. My decision to further enhance this support for implementation through financial support is a reflection of my continued commitment to supporting implementation of ASL. Indeed earlier this month, I spoke with delegates at the ASL Summit which was held to reinvigorate focus on implementation of inclusion, additional support for learning and mainstreaming. It was an
opportunity to reinforce and clarify the requirements of the overlapping pieces of legislation and to share creative practice.

Programme for Government - We will invest an additional £15 million to improve implementation of additional support for learning across Scotland

The funding will be specifically used to enhance the provision of support staff and Scottish Government officials are currently working with COSLA to develop a joint agreement on how it will be deployed. This will, of course, respect individual local authorities’ decision making role around prioritisation and budgets, including those for the provision of services for pupils with additional support needs.

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 further enhance support for the implementation of additional support for learning by improving and enhancing capacity of education authorities to deliver services through increased frontline staff, leading to better experiences for children and families ensuring they receive the right help at the right time.

The figure of £15 million was agreed as part of the work leading up to the Programme for Government after officials provided advice to me about ways to enhance implementation of ASL.

It is intended that the funding will be recurrent funding. As I said above the joint agreement is still being developed and two distribution models have been offered as the most consistent way to distribute funding to authorities. These are on the basis of pupil numbers and number of schools. At this point in time, I cannot confirm which funding model will be used as this is a point of consideration as part of the joint agreement with COSLA. I anticipate that the joint agreement will be reached by the end of the year.

In calculating the cost and number of support staff likely to be supported, an average salary including ‘on costs’ was established for a full time member of support staff, using a range of job adverts from across Scotland. This average salary for around 1000 FTE equates to £15 million.

Definition of additional support needs and accuracy of recording

The definition of additional support needs in the Additional Support for Learning Act is very clear “A child or young person has additional support needs for the purposes of this Act where, for whatever reason, the child or young person is, or is likely to be, unable without the provision of additional support to benefit from school education provided or to be provided for the child or young person.” This is further qualified within the Act to include that children and young people who are looked after are considered to have additional support needs until assessed otherwise.

The decision to have a broad definition of additional support needs is fundamental to the inclusive approach which we take in Scotland, which is deliberately distinct from that used elsewhere in the UK, and has moved away from a model of medical or other deficit to a legislative framework which focussed on barriers to children’s and young people’s learning.
As the Committee are aware in 2010, to better reflect the legislative definition, the Scottish Government changed the way in which Additional Support Needs statistics were recorded. Instead of collecting information on formal plans and settings (special schools, individualised educational programmes and co-ordinated support plans) it was extended to record any additional support provided to pupils. Consequently the numbers of pupils with recorded additional support needs did increase significantly in 2011. Importantly, these pupils have always been in the system receiving support – the statistics simply now recognise this. We reviewed and published refreshed guidance in 2018 to support the pupil census National Statistics collection. This includes guidance on the different planning mechanisms and in 2019 the description the nature of support was extended to include classroom teacher. Together these measures will support improved recording of the additional support that pupils receive.

I would remind the Committee that the data provided as part of the annual pupil census is subject to specific quality assurance measures, including the data being signed off by Directors of Education to confirm accuracy. Therefore, I cannot agree that there is an absence of accurate information.

**Staff data collection**

The National Statistics collection on support staff sets out the information as reported by education authorities to the Scottish Government. The School Support Staff dataset which has been published in 2017 and 2018, and which will continue to be published clearly sets out the numbers of support staff within each local authority area, split into a range of categories including Pupil Support Assistants and Behaviour Support staff. The Committee will be aware that the information is presented under the category of Pupil Support Assistant, but that the information is collected, as it always has been, under the terms ASN auxiliary or care assistant and classroom assistant.

Scottish Government statisticians are continuing to work in partnership with local authorities to make further improvements to the collection of data on school support staff. They are jointly considering options to improve the accuracy and consistency of the data in the following areas:

- The methodological approach to the calculation of the full time equivalent number of staff.
- The inclusion of staff funded by PEF and SAC and staff not directly employed by local authorities.
- A wider look at the categorisation of support staff for the purposes of national reporting.

In terms of progress, we have agreed with local authorities that from the September 2020 staff census, they will provide details of support staff based on contracted hours rather than FTE ensuring greater consistency across local authorities. This allows for support staff FTE to be reported in a standardised way.
Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

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We have also worked with local authorities to further clarify and reiterate that support staff who are funded via the Scottish Attainment Fund or any other mechanisms, should be included in the data collection. We will continue to work with Authorities to better understand the challenges of reporting support staff against specific categories.

The work on support staff categorisation is considering how wide the categories of staff for data collection should be, weighing up the benefits of being able to present data on more distinct job categories and being able to collect data on a consistent basis from all schools and local authorities. For example, small schools may face a particular challenge in providing data on narrowly specified job descriptions where they may have one member of staff performing a wide variety of different roles supporting pupils in any given day or week.

In terms of the Committee’s view that the School Support Staff data would be used to support allocation of support staff, the information I have provided above in relation to the Programme for Government confirms that this allocation of funding to education authorities will be based on either of the two options outlined. It is not for the Scottish Government to allocate support staff to education authorities, as the responsibility for workforce planning rests, including the recruitment and deployment of their staff, rests with education authorities. The financial support that I have sought to provide will enable an enhancement of that support across Scotland, and will be implemented by education authorities in line with their responsibilities, and local circumstances.

**Pupil Equity Funding**

I introduced Pupil Equity Funding in 2017 as a new way of working to close the attainment gap, by providing money directly to the schools, and headteachers, that know their young people best. I have visited schools up and down the country where this funding has empowered teachers to put in place creative new initiatives to tackle the attainment gap with over 95% of all schools receiving Pupil Equity Funding. Of the £120m PEF allocated in 2017/18, the first year of PEF, nationally 60% was spent with the remaining 40% carried over into 2018/19. The Committee will be interested to note that 2018/19 Pupil Equity Funding spend data is being finalised and will be published soon so I will keep the Committee fully updated with this.

In terms of the ongoing evaluation then the findings from Year 3 (2017-2018) of the implementation of the Attainment Scotland Fund was published on 21 June 2019. Key findings included 88% of headteachers seeing improvements in closing poverty-related attainment gap as a result of interventions supported by the Attainment Scotland Fund, 95% expected to see improvements over the next 5 years and 89% of headteachers felt they had the autonomy to develop plans for PEF. The Evaluation is available to access here:- https://www.gov.scot/publications/evaluation-attainment-scotland-fund-interim-report-year-3/

As we move into the fifth school year since the Scottish Attainment Challenge began we are gathering a substantial volume of evidence at school, local and national level relating both to processes and, more recently, progress and impact on educational outcomes for children and young people. We are using this information to sharpen our focus and inform how we enhance our support and challenge over the next period to the end of this Parliament. We will continue to work in partnership with local authorities, schools and other key stakeholders...
to facilitate, broker and support action across five key areas over the next 18 months and beyond to maximise progress in the Challenge.

**University and College Funding.**

The Committee asked for an insight into the future funding priorities for Colleges and Universities particularly in light of recent reports by the Auditor General.

The recent Audit Scotland reports helpfully highlight the achievements and successes of our colleges and universities. I am carefully considering all of the recommendations made for the Scottish Government and expect the Scottish Funding Council (SFC) to continue to work with both sectors to ensure that our institutions are fit for today and the future. The Scottish Government will take evidence from these reports into consideration as part of the Spending Review and 2020-21 budget setting process, alongside advice from the SFC and input from stakeholders including Colleges Scotland, Universities Scotland, and the NUS in relation to the funding needs of students and both sectors. In setting the overall level of funding to be made available to colleges and universities via the SFC –including the use of any funds currently in place to support EU students -, consideration must be given to the requirement to balance the fiscal needs of all areas of Scottish Government responsibility with the challenging operational needs of colleges and universities.

I fully expect the SFC to continue to work closely with our colleges and universities, as well as wider sector representatives, to understand the specific needs of each institution and to deploy our funding in the most effective way possible, to deliver our overarching priorities and desired outcomes for learners and the economy. In doing this the SFC gives consideration to a range of factors including learning and skills needs and research quality, while being mindful of the financial sustainability of individual institutions and the tertiary sector as a whole. Both colleges and universities are expected to plan and manage their activities to remain financially viable and sustainable and the SFC will offer support to institutions.