

EDUCATION COMMITTEE

Wednesday 28 April 2004
(*Morning*)

Session 2

£5.00

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CONTENTS

Wednesday 28 April 2004

	Col.
SCHOOL CLOSURES.....	1255
PROCEDURES COMMITTEE INQUIRY	1261
ANNUAL REPORT 2003-04.....	1265
CHILD PROTECTION INQUIRY	1267
BUDGET PROCESS 2005-06.....	1275

EDUCATION COMMITTEE 12th Meeting 2004, Session 2

CONVENER

*Robert Brown (Glasgow) (LD)

DEPUTY CONVENER

*Lord James Douglas-Hamilton (Lothians) (Con)

COMMITTEE MEMBERS

*Ms Wendy Alexander (Paisley North) (Lab)

*Rhona Brankin (Midlothian) (Lab)

*Ms Rosemary Byrne (South of Scotland) (SSP)

*Fiona Hyslop (Lothians) (SNP)

*Mr Adam Ingram (South of Scotland) (SNP)

*Mr Kenneth Macintosh (Eastwood) (Lab)

*Dr Elaine Murray (Dumfries) (Lab)

COMMITTEE SUBSTITUTES

Brian Adam (Aberdeen North) (SNP)

Richard Baker (North East Scotland) (Lab)

Rosie Kane (Glasgow) (SSP)

Bill Aitken (Glasgow) (Con)

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Donna Bell (Scottish Executive Education Department)

Peter Peacock (Minister for Education and Young People)

Philip Rycroft (Scottish Executive Education Department)

CLERK TO THE COMMITTEE

Martin Verity

SENIOR ASSISTANT CLERK

Mark Roberts

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 3

Scottish Parliament

Education Committee

Wednesday 28 April 2004

(Morning)

[THE CONVENER *opened the meeting at 10:34*]

School Closures

The Convener (Robert Brown): Good morning and welcome to this meeting of the Education Committee, which is starting slightly later than usual. I ask members to ensure that mobile phones are switched off.

Agenda item 1 is consideration of issues arising from recent proposals for school closures. I asked that the issue be put on the agenda because it has been the subject of a number of petitions to the Public Petitions Committee and representations to members, not least to members who represent Midlothian and the Borders. Members have a background report from the Scottish Parliament information centre and some papers on the issue.

In the past, we have tended not to deal with local school closures on the basis that they are matters for the local authority. The present issue is whether the rural school closures in certain parts of the country raise national issues about the guidelines in which the Education Committee might want to take an interest.

Rhona Brankin (Midlothian) (Lab): Thank you for putting the item on the agenda, convener. The issue is a hot one in Midlothian, the Borders and other areas in Scotland. Because of the additional money that is now available for local authorities to build new schools, many local authorities are considering their school building provision and the condition of their school buildings. I worry that, without adequate guidance on the importance of rural schools, local authorities might consider closing them to develop their school estates.

I am disappointed that nothing has happened following the work of our predecessor committee. After that committee's meeting on 4 July 2000, the matter was referred to the Convention of Scottish Local Authorities, which referred the matter to the Scottish Executive in October 2001. The Scottish Executive did not reply until 12 March 2003, when it said that it would consider the matter in the light of the school estate strategy. There has been a lot of passing the buck, but nothing has been done. Members will be aware of the strong policy on rural development and sustainable rural

communities, but there is no lead across whatever from the rural development policy to the education policy.

It is shocking that Scotland's guidance on rural schools is much weaker than the guidance in England and Wales. The committee must consider the issue carefully. I would like to ensure that new guidance is issued, perhaps after consultation. The current guidance, which arose out of the Education (Scotland) Act 1980 and the Education (Scotland) Act 1981, must be updated. The existing guidance is wholly inappropriate—it does not pass muster or meet the needs of rural schools. I am keen for the Education Committee to try to ensure that up-to-date and adequate guidance is introduced that will, rather belatedly, bring education policy into line with policy on sustainable rural development.

The Convener: The current position is outlined in Brian Wilson's speech from 1998, a copy of which has been circulated to members. Brian Wilson stated that schools should not close only on financial grounds but that there should be "credible educational justification". There is also a rather contorted statement about "proportionate advantage", which is not clear.

Rhona Brankin: Brian Wilson's statement contains advice, but my understanding is that there is no formal guidance other than the guidance that arose out of the 1980 and 1981 acts, which is wholly inadequate. We ought to determine at an early stage whether my understanding is correct.

Lord James Douglas-Hamilton (Lothians) (Con): I support Rhona Brankin's comments. The issue is of national importance. We have learned from our advisers that the number of countryside schools has decreased from 800 to 600 and that rural schools are most under threat near towns and cities. The trend of closures in Scotland is remarkably fast moving and much faster than the trend south of the border. Brian Wilson said:

"I am now inviting education authorities to apply a test of proportionate advantage".

However, that is nothing like as strong as the commitment that has been given south of the border, where there is a national presumption against school closures.

We need a national presumption against school closure because of the importance of sustainability and supporting fragile rural communities. I see no reason not to put in place such a presumption to support those communities. The difficulty with the doctrine of proportionate advantage is that it raises the question of whose advantage. If it is merely the local authority's advantage to save funds for other schools, that is not good enough. A national

presumption against closure should be put in place.

Fiona Hyslop (Lothians) (SNP): The committee has two matters to consider. The previous committee asked way back in 2000 for COSLA and the Executive to examine the issue so why, four years later, are we still in the same position? The process by which that request has been ignored must be considered. I have my own views about why the issue was ignored, but the committee should examine that.

In October 2001, COSLA asked for a review of the legislation. My concern is that we are seeing legislation, such as the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill, whose necessity is far down the pecking order. Even three years ago, COSLA asked for legislation on the vital subject of rural school closures, as Rhona Brankin and Lord James Douglas-Hamilton said.

There has been a sea change in the speed and volume of rural school closures. The agenda has also changed. Previously, school closures tended to relate to lack of numbers and educational concern about very small schools. Now—in Midlothian in particular—popular schools in areas whose population is increasing are being affected.

The telling remark is in the Executive's letter of March 2003, which says that the Executive wants to consider the matter in the light of the school estate strategy. It is clear that the Executive's agenda is financial—it has a large amount of money from public-private partnerships. The debate has changed from an educational debate into one about the management of finances and the school estate. As Rhona Brankin said, one problem is that school closures are not compatible with sustainability on rural issues or the education points that were made in Brian Wilson's speech.

The agenda has changed without guidance or legislation. Lothians MSPs are conscious that the issue is hot, but it is likely to affect other areas sooner rather than later. It is not small, rural, island schools that are being affected, but semi-rural schools or those that are near centres of population.

We need to find out why on earth nothing has happened in the past four years and the rationale for having a financial rather than an educational debate now. The committee could easily call for a timetable for introducing a new code of guidance or legislation. The issue is outstanding and we have a duty and a responsibility to pursue it.

The Convener: My colleague Jeremy Purvis, among others, has bitten my ear about the subject. That links with events in Rhona Brankin's constituency.

Dr Elaine Murray (Dumfries) (Lab): I, too, am concerned that it has taken four years for nothing to happen. In the intervening period, Dumfries and Galloway Council undertook an extensive consultation on consultants' recommendations for its school estate, which were based on financial matters and not on anybody's local knowledge. As a result, it was difficult for councillors to take decisions, which were eventually based on political considerations, and few schools were closed. The council has ended up with more schools than it can cope with and no resolution of the problem.

I am not saying that a code of guidance would have solved everything for the council, but the fact that no official guidance existed made it difficult for the council to make rational educational decisions for the proposed mergers or closures, instead of decisions that were based on a consultants' report in which parents and communities had no confidence. It is disgraceful that four years have elapsed in which the people who are responsible for the guidance have done nothing.

Ms Rosemary Byrne (South of Scotland) (SSP): I am delighted that we are talking about school closures and I am pleased that Rhona Brankin has raised the issue. I agree with everything that has been said. It is crucial to have guidance for local authorities. In the Borders and Midlothian, many rural schools were allowed to run down—particularly those in the Borders, which had budgetary problems that meant that many cuts had to be made in education a couple of years ago.

Schools are being closed because of the state of the buildings and because PPP money is available for building bigger schools and amalgamating schools on one campus. Those are not the right reasons to close schools. A school's closure should be for sound educational reasons. A school should not be closed because of financial considerations or because of the state of buildings that should have been maintained.

School closures are ripping the heart out of communities and, as Rhona Brankin said, that is not compatible with sustainable rural development. It is incumbent on us to ensure that something is done about the matter, because dozens of schools in the Borders and in Midlothian are affected and cases are cropping up elsewhere.

10:45

The Convener: We are beginning to hear the same points being echoed—perhaps that is an indication of the importance of the issue.

Rhona Brankin's comments about the link with rural policy in general were not unimportant, but we are concentrating on the potential for a code of

guidance. We need to ascertain what powers exist in that regard under the education legislation; that is probably adequate and perhaps we should not write or take further action at this point. However, perhaps we should invite the minister to the committee and express our views and concerns to him in reasonably strong terms—that might give things a bit of a kick in the pants. Is that an acceptable way forward?

Fiona Hyslop: We could ask the clerks to examine some of the research that has been done into rural schools. It has been argued that two-stream schools are better than one-stream schools, but I do not think that I have seen any evidence for that on educational grounds. It would be helpful to know whether there is evidence that justifies that argument.

Rhona Brankin: There is information on that in the responses to some of the written questions that I lodged.

Mr Kenneth Macintosh (Eastwood) (Labour): Rhona Brankin has made me aware of the situation in Midlothian, but I am conscious that, unfortunately, we are hearing anecdotal reports of what is happening. I would not mind receiving more information, for example on whether the rate of school closures is accelerating. What is the size of the schools that are closing and how many schools are involved? In the past, schools closed because their rolls were falling. I would like to know whether there has been a fundamental change to that approach and whether schools with increasing rolls are being closed purely for budgetary reasons.

The Convener: The issue seems to emerge when estates provision is being considered. We heard about the situation in the Argyll and Bute Council area and now we are hearing about the Borders and Midlothian.

Fiona Hyslop: The Executive stated that it would consider the matter in the context of the school estate strategy, which is a clear indication that it regards the issue as part of its finance and building programme.

Mr Macintosh: We should not shy away from the fact that local authorities have a duty to ensure that resources are well used. However, there is no confidence in the current system, because people cannot judge to what extent the criteria that are applied are educational, financial or related to falling school rolls.

The Convener: That is right, but the education issue is important. I attended a school in north-east Scotland that had fewer than 50 pupils; it had two classes of different age groups. The perception then was that such an environment offered as good an education as it was possible to

have, because of the small class sizes and everything that went with that.

Do we agree to invite the minister to an early meeting of the committee for an exchange of views on the issue?

Members indicated agreement.

Procedures Committee Inquiry

10:48

The Convener: Agenda item 2 is consideration of correspondence from the convener of the Procedures Committee. The Education Committee pre-empted the matter to some extent, because of our experience during the passage of the Education (Additional Support for Learning) (Scotland) Bill. As the committee instructed, I wrote to the convener of the Procedures Committee a little while ago about the gap between the deadline for lodging amendments and stage 2 consideration. Euan Robson raised the same issue, in effect, after the stage 3 debate on the bill in the Parliament.

The Procedures Committee raises a slightly wider issue, however. Do members want to make comments about anything that they think we should take forward?

Lord James Douglas-Hamilton: We can make clear our support for what Euan Robson said at the end of the stage 3 debate, which was that there should be more time between the deadline for lodging amendments and consideration of those amendments in committee, so that clerks, parliamentarians, the Executive and officials might have more time to prepare.

Mr Macintosh: A number of points have been raised by the Education Committee. I am not sure that the committee will come to a position on them all, but we can contribute our views individually. I am sure that we agree unanimously on the second point, on whether there is sufficient time at stage 2 and stage 3. My feeling on the first point is that there is sufficient time at stage 1. We certainly had ample time for our last report.

The Convener: That is probably right. Is there a consensus on stage 1?

Members *indicated agreement.*

The Convener: Stage 1 has not been a problem in our experience so far.

Fiona Hyslop: I speak as someone who has sat on the Procedures Committee and the Parliamentary Bureau. We should remember that there is flexibility; committees are at liberty to go to the bureau and say that they need more time. Very few committees do that, because they think that the dates that come down from the bureau are set.

The Convener: Dare I say it, but this committee did that, albeit that it was not necessary at the end of the day.

Fiona Hyslop: Yes, but that point needs to be flagged up.

Mr Adam Ingram (South of Scotland) (SNP):

The papers do not mention engagement with civic Scotland. We must be aware that the Parliament's processes should not just suit the Executive's timetable. We must also take into account the bodies outside this Parliament that have vital interests in particular areas. We need much more time for stage 2, and we should examine ways of improving civic Scotland's access to the process at stage 2. That may not be in the Procedures Committee's remit, but the Executive must examine how it manages bills through Parliament and, in particular, how it engages with civic Scotland. As a matter of course, I would like there to be legislation reference groups that would involve the stakeholders in bills, such as the Education (Additional Support for Learning) (Scotland) Bill, so that the Executive would take people along with it during the passage of bills through Parliament.

The Convener: I am not sure that I agree. The Education (Additional Support for Learning) (Scotland) Bill was probably an exemplar of extensive consultation with civic Scotland.

Mr Ingram: I do not believe that that was the case. Compare that bill with the Mental Health (Care and Treatment) (Scotland) Bill, which was passed last session. That was the model that should be followed. The Education (Additional Support for Learning) (Scotland) Bill did not follow that model at all. I would like to return to that issue.

Dr Murray: I do not agree that there was inadequate consultation. The Executive went out to consultation on the Education (Additional Support for Learning) (Scotland) Bill two or three times.

The issue about engaging at later stages could be dealt with by examining the amount of time that is available at stage 2. At stage 2, we have long meetings at which we do nothing else but consider amendments; those meetings are held on dates that are close to each other. The process could be more spread out. That would not mean that we would do less business; we could have shorter sessions on stage 2 and then deal with other items. That would give interested parties and stakeholders time to consider our amendments, make suggestions to us and hold discussions with us. Some of Adam Ingram's concerns could be dealt with by lengthening stage 2.

The Convener: The first issue is whether to take longer over stage 2 by having more but shorter sessions. The other point, which is linked, is whether there should be a longer period between the stage 1 debate in Parliament and the beginning of stage 2. The issue is the same, but what is the best way of tackling it?

Fiona Hyslop: The convener made a point in a previous discussion about giving those who are responsible a kick in the pants. The previous Procedures Committee took lots of evidence and was told by civic Scotland what it wanted. Donald Gorrie produced good proposals on spreading out the legislative timescale. For example, there was a proposal to have more of a delay between stage 2 and stage 3; that is included in the previous Procedures Committee's report on the consultative steering group principles, along with other practical proposals. When I was business manager, I discussed with Patricia Ferguson whether any of those proposals could have been introduced in 2002-03. It was acknowledged at that time that, as the Executive was nearing the end of its term and there was a lot of legislation, it was probably not practical to do so.

I am a wee bit concerned that we are almost reinventing the wheel. We have concerns that nothing has happened since 2000 on rural school closures and, in the same way, I am concerned that now that the Executive has the information and the evidence it should be a bit more relaxed about the timescale for legislation. Unless the need for legislation is urgent, which people will recognise, better legislation will be produced if there is a longer period between the lodging of amendments and their consideration. There should be a longer period between stage 2 and stage 3; that is crucial. As I said, Donald Gorrie made practical proposals in the previous Procedures Committee. We should support those proposals, because the general thrust is there. We should not reinvent the wheel and the proposals should be introduced.

When I spoke to the Executive's bill team, I said that I had hoped that the new procedures could have been in place before the Education (Additional Support for Learning) (Scotland) Bill was introduced. Unfortunately, things seem to be moving too slowly. It is important to get on with it.

The Convener: I may be wrong, but I think that the current Procedures Committee took a slightly different view on some of those issues from the committee in the previous session.

Ken Macintosh wants to comment—I think that I interrupted him earlier.

Mr Macintosh: Not at all.

The crucial problem that we had with the Education (Additional Support for Learning) (Scotland) Bill—the Executive agrees with this—was the time between the lodging of amendments and the debate. That issue emerged in the previous Procedures Committee's report on the CSG principles. The Procedures Committee in the previous session did not strike while the iron was hot and get a bill through at that time; that was our

own fault. We are now at the stage at which we should focus on the crucial point.

The Convener: There is unanimity on the original point about the period between the closing date for amendments and stage 2 consideration, and on the period before the debate in Parliament at stage 3.

It has been suggested that there ought to be more time either between the stage 1 debate and the beginning of stage 2 consideration of amendments, or between the lodging of amendments and when they are debated as we go through the stage 2 process. Perhaps both those suggestions could be adopted.

There is not a big issue about evidence taking at stage 1; Fiona Hyslop's point about that was valid.

Adam Ingram made an additional point about engaging with civic Scotland. There is no disagreement about engaging with civic Scotland, but there is an argument about whether anything in the procedural rules causes difficulty or inhibits such engagement. I think that there is not unanimity on that point, but I may be wrong.

Fiona Hyslop: It depends on whether the proposals on the timescale would help to resolve the problem of engaging with civic Scotland. Some of the issues are for the Executive.

Mr Ingram: A mechanism is needed to assist the process, not prior to the introduction of a bill but during its passage—particularly at the end of stage 1 and during stage 2. That is the gap that we need to address.

The Convener: Time would help everybody. I suppose that the Executive's consultation before the introduction of the bill, on which a view has been expressed, is not what the Procedures Committee is looking at, so we probably do not have to go into that. Do members have any further points to make?

Members: No.

The Convener: I will write in suitable terms.

Annual Report 2003-04

10:58

The Convener: Agenda item 3 is consideration of the committee's annual report 2003-04, which is before the committee in draft. Are members happy with the report or are there points that they want to add or change? The report is relatively factual.

Mr Macintosh: I do not think that the Education (Additional Support for Learning) (Scotland) Bill, which is covered in paragraph 4, is given enough prominence. We spent the majority of our time on that bill, but people would not know that from reading the annual report. We should say that that item occupied most of our time in the past year.

The Convener: We could state that the committee's time was dominated by the bill. Are there any other points?

Fiona Hyslop: The report reads as a list of activities. People might find the report more useful if more value judgments were made and it was more of a commentary. Our background work on the Education (Additional Support for Learning) (Scotland) Bill and pre-legislative work during visits were extremely helpful. That is not mentioned in the report and it probably should be. By the time that we started on the bill itself, there was a foundation.

The Convener: We hit the ground running, as it were.

Fiona Hyslop: Yes. That information would probably be helpful for anyone who is reading the report and wants to learn for the future. The report is descriptive and we could probably add such detail on a variety of issues, but we are working to a tight time scale. That issue should probably be flagged up for a future report, rather than included as commentary just now; it is an obvious point that arose from our work on the bill.

The Convener: We could add that observation.

Fiona Hyslop: On the point about the Scottish Youth Parliament in the first paragraph, I am not sure whether we took oral evidence.

The Convener: We have had a number of engagements, of various sorts, with the Scottish Youth Parliament. I believe that we have invited representatives to meet us. An invitation was issued to come with us to New Lanark.

Fiona Hyslop: I would not say that that counted as an evidence-taking session.

The Convener: You are quite right.

Fiona Hyslop: We have done a lot of work on our child protection inquiry. Perhaps, after we have dealt with the next agenda item, we might be

able to put something more useful and up to date into the report.

The Convener: There is a time constraint on this process. We have to get the report finished quite quickly. As your comments have been fairly uncontroversial, would you remit authority to me to finalise the wording with the clerks in the light of those comments?

Dr Murray: There is a standard format for these things, is there not?

The Convener: Yes. I do not know whether the space that we have is limited, but I am sure that we can take up two pages.

Fiona Hyslop: In the part of the report towards the end that deals with meetings in private and in public we should point out that we considered much of our draft report on the Education (Additional Support for Learning) (Scotland) Bill in public. We could highlight that as an example of what we have done differently that might be beneficial to other committees.

The Convener: That is a good point. You are on form today, Fiona.

Fiona Hyslop: I will start to flag soon.

Child Protection Inquiry

11:02

The Convener: Item 4 concerns the evidence that we have taken so far in our child protection inquiry and whether we want to invite any more witnesses to appear before the committee. Members have a summary of the evidence that we have heard. Rhona Brankin suggested that it would be useful to take stock halfway through the process to see where we were going.

We have an opportunity to take more evidence. My only thought is that it might be worth while if we were to move from the general to the particular and try to focus on specific areas. I think that we might have exhausted the potential for gathering general information on the issues involved.

Dr Murray: I think that we have gathered a fair amount of evidence, as demonstrated by the size of the summary document. The question is what we want to pursue with the minister. We have heard a lot of interesting views. For example, I think that the trade unions had an interesting slant on recruitment issues and a number of other areas. At this point, we should decide on the focus of our inquiry, what we want to pursue with ministers and what recommendations we want to make thereafter. I do not know whether it is necessary to take further oral evidence.

Ms Wendy Alexander (Paisley North) (Lab): There are two areas on which we should do some follow-up work, but we could take that evidence in writing. One is the information-sharing area and the other is Professor Baldwin's work on the multi-agency inspections. There are specific recommendations on those areas in "It's everyone's job to make sure I'm alright", but both areas have been dropped from the child protection charter.

Professor Baldwin is leading the working group on the single integrated assessment and, apparently, intends to consult on a framework by December 2004. We should write to her and say, "Given that you are leading on this recommendation, what is your anticipated timetable for the delivery of a system across Scotland? What will it take? Can anything be done to accelerate the process?"

Similarly, on the multidisciplinary inspection issue, the clerk's summary of evidence states:

"Graeme Donaldson of HMIE has been appointed to set up a team to take work forward in this area. It is intended that pilots will be established by the end of the year. However, the Executive could not give a definitive date for when the pilot inspections would be fully rolled out."

That means that the position has changed since the Executive gave evidence. We should write to

Graham Donaldson, who is now leading on the issue, and ask him what timetable is envisaged.

There is one other area on which it might be helpful if the committee could get a piece of written evidence. There is a clear intention to have multidisciplinary inspections up and running in the rest of the UK by next year. We might write a brief note asking exactly when that will happen. That evidence would give us a counterpoint to Graham Donaldson's reply on when the Executive anticipates introducing such a regime in Scotland. I fear that there may be two or three years' difference between the two. To get that in writing might be helpful in clarifying what we say in our report.

Ms Byrne: I am not sure that we have taken enough evidence on early intervention, given the emphasis on that issue. I would like to hear more about projects such as sure start and how they are working. I am also concerned about some of the short-term funded projects. Our witnesses seemed to emphasise that some of the short-term funding projects have difficulties precisely because the funding is short term. I would like to explore that a bit further, if possible.

The Convener: I agree. I felt that, in taking evidence, we concentrated on the procedures—which is what we intended to do, to a degree—but did not really get a handle on what one did with key risks, how the system worked through and all of that. I wonder whether we need something further in that area.

On Wendy Alexander's letter-writing campaign, we have not yet got Disclosure Scotland's views. Whether we need to invite representatives of Disclosure Scotland to the committee or whether we can get that information in writing, I am not sure. I am open to members' views on that.

Lord James Douglas-Hamilton: The Scottish Social Services Council claims that there are sometimes duplications in requests for information on the same person by different organisations. It has suggested that the regulations should be amended so that Disclosure Scotland could be allowed to share information on occasions. I wonder whether that could be followed up with Disclosure Scotland and a minister.

Ms Alexander: On the point that Rosemary Byrne and the convener have made about early-years intervention, I thought that the committee had decided at the start of last year that we wanted to conduct a full-blown investigation into that subject. Following a query into something else, I discovered that the Executive is going to produce its own early-years framework document by June—before the recess. I am not against our having one session on sure start, but I would prefer us to conduct a major, committee-led

inquiry into how we get the first five years of all children's lives right. I thought that that was in our work programme. We could perhaps investigate the Executive's new document to see whether we are comfortable with it for next year.

I am not sure that we should not be looking to tie down the delivery against the recommendations of "It's everyone's job to make sure I'm alright" and I definitely want to conduct an inquiry into early-years intervention. However, can we clarify what we will do in the child protection inquiry and what we will do in our next one, given the fact that major policy statements are due out in the next month?

The Convener: That is a dilemma. We have talked before about what might be described as general early-years learning. However, Rosemary Byrne's point is about the targeted measures to prevent kids from going off the tracks at an early stage, whether that is effective and what works or does not work. The other issue that is lurking is the Executive's review of children's hearings. I imagine that we will have some part to play in that, although I think that we will divide our remit with the justice committees.

Fiona Hyslop: We should request that we do that.

The Convener: Yes, although I certainly think that we should be involved with the review. However, the Executive has to carry out its consultation first and we will not want to get into that until it has explored the issues and knows where it is going with them. That will be for a later inquiry. The issue for this inquiry is whether we need to know a bit more about the targeted early-intervention stuff—I think that that is Rosemary Byrne's point.

Ms Byrne: Yes. That is exactly what I am looking for.

Fiona Hyslop: I have two suggestions. We need to write to Disclosure Scotland on the range of issues that have been raised by Lord James Douglas-Hamilton and by the witnesses. We can reflect on whether we need to take oral evidence from Disclosure Scotland, but our inquiry might be satisfied by its answers to the question that we pursue in writing.

I agree that we should have a comprehensive, general inquiry on early-years intervention in the autumn, as we planned. However, it would be remiss of us if we were to miss the opportunity of looking at the practicalities of what is happening on the ground at the moment, particularly in the light of evidence on the concerns about children's services workers being pulled off that work because of other priorities. I would like to know what that means in practice for early-years intervention.

One evidence session on that subject could inform our later inquiry and it would give us a better feel for the situation on the ground at the moment. Any work that we do on the child protection inquiry will inform our general review of early-years intervention and, indeed, our response to the children's hearings system review. We have pointers in that direction in respect of the submission that we have to prepare.

The Convener: At the moment, our timetable mentions a lengthy session on 26 May. We are not talking about an all-day session, but that is one of the days on which the Parliament has to move out of the chamber because of the General Assembly of the Church of Scotland. It is possible to have a longer discussion that day; I think that we have agreed that we would probably want to continue the session rather than have two sessions. Provisionally, it is intended that we have the minister before the committee on that day as well, but we have a little bit of scope to call other witnesses if we want to.

I will try to draw the matter together a little bit. Wendy Alexander has made a couple of suggestions about letters, which we can take up, as there was no disagreement about them. What do members want to do about Disclosure Scotland? Do we want to see them or write to them?

Dr Murray: I suggest that we write to organisations such as Disclosure Scotland in the first instance. There is a tendency to over-consult orally, which can make it difficult to focus on the issues. The discipline of writing to an organisation enables us to ask the specific questions that we want to put and to get equally specific replies. My only proviso is that we need to ensure that we get a response in good time so that we can form the questions for our session with the minister.

The Convener: I think that there is general support for that proposal, as one or two members have spoken in favour of that course of action. That deals with Disclosure Scotland. The remaining area that has been touched on is the targeted early-years stuff. I think that the general feeling is that we should have a bit more evidence on that area, but I might have misinterpreted the consensus.

Mr Macintosh: My thoughts on Disclosure Scotland were that we should clearly flag up our concerns. In some ways, however, that is a side issue and one that we would have to pursue outside the remit of the inquiry. That said, I am happy for us to write to Disclosure Scotland, as that is a consultative way of taking things forward.

I thought that our aim was to finish the child protection inquiry before the summer recess. I have no problem with any of the suggestions that

have been made today, but I want to highlight the issues of staff, timescale, drugs, risk, the blame culture and the skewing of resources through specific initiatives as opposed to long-term initiatives. It is not as though we do not have enough evidence—indeed, I would like to put the points that I have just mentioned to the minister—but we could go on and on. I am happy to work to a deadline.

The Convener: It is fair to say that we are not obliged, by any need to report to the Parliament or by any legislation or whatever, to finish the inquiry by a particular time. Obviously, there is merit in setting self-defined areas for the inquiry. It is right that we do so. A lot of the issues feed into other areas of our work. The question is how much further we want to go on the inquiry. We may be able to review the matter after we have seen the minister. The staffing issues are important, for example, and I think that we would want to pursue them with the minister. Some of the other issues will feed into other inquiries that we will undertake. We are going to be legislation bound for a bit, with the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill and the proposed Gaelic bill to deal with.

Mr Macintosh: We will lose our impact if we let the matter drift. Instead of hearing more evidence, we should focus on the subject. I have no problem with the suggestions that have been made today. We should not wait for anything; we should pencil in the sessions and the meeting with the minister and get on with producing the report.

The Convener: However, we can, if we wish, hear a witness or witnesses on 26 May. Even on the current timescale, we would still have time to consider that evidence. I suggest that we hear that evidence before we hear from the minister—we have an hour or an hour and a half in the morning, if we want it to use it. It would be possible to fit in some other evidence taking if the committee wished.

Fiona Hyslop: We are hearing from the minister on 26 May and we then go straight into writing our report.

11:15

The Convener: Yes. We have a couple of time slots later on, when we can consider our report, so we have a little bit of time to consider the issues further if necessary—but we will not do so if we do not need to.

Fiona Hyslop: That suits my personal timescale.

The Convener: I do not think that the business of the whole Parliament is entirely linked to that.

Do you have any further comments on early-intervention issues, Rosemary?

Ms Byrne: If we could, I would like us to fit in some more witnesses on 26 May.

The Convener: Whom would you suggest, or what areas are you thinking of?

Ms Byrne: I will have to think about that—I might speak to Martin Verity later.

Dr Murray: I caution against having too many witnesses on the day that we hear from the minister, as we will not have time to reflect on the important points that they will make. The whole point of having the witnesses before us is to distil from their evidence the key points that we need to pursue with the minister. The problem with having a whole load of people in the morning and hearing from the minister in the afternoon is that we will not have time to reflect on what the witnesses have said.

The Convener: We are not necessarily suggesting hearing from a whole lot of people.

Ms Alexander: It is not my instinct that ministers do not intend to implement “It’s everyone’s job to make sure I’m alright”. I think that ministers are not aware of the level of detail that we have gone into on the subject, because of its widespread nature. If we are trying—in a genuinely cross-party way—to draw ministerial attention not to the charter, but to “It’s everyone’s job to make sure I’m alright”, we should take some time to share with the minister what we have discovered in our inquiry. The expectation is that the minister will read our report at the end of our inquiry. He is more likely to engage with the report’s recommendations if we use the meeting not just in an interrogative way—although we have an interrogative function—but for sharing information and discussing the issues. We know an awful lot that we need the minister, and the officials sitting next to him, to take on board.

I suggest that we maximise our time with the minister. I am sorry that the meeting with him is set for the afternoon. I had not been aware that it was to be in the afternoon—I do not think that anybody knew that a ministerial session was scheduled for that afternoon. It is three weeks away and this is the first that we know about it. Fair enough—that might be what has been agreed with the minister, but I would have been happy for the minister to come to the Education Committee at the slot scheduled by the Education Committee and for us to have had a longer evidence session with him and a shorter time with other witnesses.

Fiona Hyslop: To be fair, I think that Robert Brown told us about that, which is to do with the fact that, because the Parliament will not meet in plenary session during the General Assembly of

the Church of Scotland, committees will have more time.

The Convener: We have had this discussion before, although I should add in fairness that we did not previously know the times that were available to the minister. I understand that we will have an hour, from 2 o'clock. That is the slot that we have.

Fiona Hyslop: An hour?

The Convener: Yes. It is pretty fixed.

Fiona Hyslop: He does not like seeing us for very long, does he?

The Convener: I might be wrong, but I am not entirely certain that we will need more than an hour on the subject.

Fiona Hyslop: I am conscious of what happened at the previous budget process session with the minister. To be fair to the minister, it was not his fault that we had limited time then, but the committee has not had that much time with Peter Peacock.

The Convener: The budget is more complex and raises a whole series of issues. That slot is the one that we have, although we could take longer with the minister. I do not think that there would be any difficulty getting a bit longer if necessary. The idea was to hear from him at 2 o'clock and then, from 3 o'clock, to discuss the emerging themes, which would inform our draft report for two or three weeks later.

Fiona Hyslop: Why not ask whether the minister is available, suggesting that the session might take longer than an hour?

The Convener: Do members think that the session might require longer than an hour?

Dr Murray: Yes, it might. If we are taking other oral evidence, I do not think that we should do so on the same day; we should do so in advance of that day. It is important that the minister and his officials have the opportunity to reflect on the *Official Report* of the evidence that has been presented to us.

The Convener: There is nothing else on that day, so we could have an extended meeting if we want—with nothing in particular to put in it. I am not saying, however, that we have to fill the time up. I am not sure that it is that difficult to take other evidence on the same day if we want to. I am in the hands of the committee.

Fiona Hyslop: I do not have the timetable for this to hand, but I have another suggestion. Will we be moving on to the long-awaited subject of powers of intervention?

The Convener: Yes.

Fiona Hyslop: I know that we have other witnesses, but I do not think that we need to spend a whole meeting taking their evidence. We might be able to double up. I envisage being able to hear from the early-intervention witnesses in one evidence-taking session, with a panel of, say, three. There is no reason why we cannot have that session on the same day as we deal with the powers of intervention.

The Convener: I do not think that we can do that. We have meetings on 5 May and 12 May with various officials who have agreed to come. I think that that will take up the bulk of the time. There will be several panels, as has been the case in the past. We will not just be talking about ministerial powers; we will be talking about the independent schools bids. I think that 26 May is the realistic slot, although we can have that session later if we have to because there is no set timescale. However, the question is whether we want to take other evidence at this point or later. We could make use of the slot on that day. I would like us perhaps to hear some evidence on early-intervention techniques that are being used at the moment.

Dr Murray: Is there any possibility of swapping witnesses around and taking some of the evidence on powers of intervention on the morning of 26 May and the evidence on early intervention earlier? That seems to be a more sensible way of organising ourselves.

The Convener: Yes, except that we have tight timescales if we are to get the witnesses at an earlier date.

Fiona Hyslop: The committee has expressed its views, so I suggest that we trust the convener and clerks to come up with a solution.

The Convener: I am not sure that the convener has got the feel of the committee. Am I interpreting the committee's views rightly by saying that there is a desire—albeit not an overwhelming one—to take some evidence on early interventions? We want some suggestions on that and we have to have them within the next few days. We are talking about sure start Scotland and issues in that general area. We would prefer to take that evidence a week earlier if we can but, if we cannot, we will do what we can on that date. Is that a reasonable summation? Is that agreed?

Members indicated agreement.

The Convener: As members have no other points to raise, we will take a short break. The minister will be here at 11.30 am.

11:22

Meeting suspended.

11:34

On resuming—

Budget Process 2005-06

The Convener: I welcome Peter Peacock, the Minister for Education and Young People, who is here to hear from us on the budget process. When we discussed how we might hold this session, it was thought—whether advisedly or not I am not sure—that it would be a good idea to have one or two slides at the beginning to illustrate key points and issues. I will control that procedure for the benefit of the official report.

The first slide is “Priorities and Targets”, which shows the sources for the Executive’s priorities for education and young people: the national education debate—which took place in the previous session of Parliament—and the Executive’s priorities in the partnership agreement. Those lead into departmental objectives and the targets. The issue that has emerged is the extent to which the basic priorities have been translated into the targets.

The second slide shows the 11 EYP targets. I do not propose to go through them because copies of this slide and the others are in the committee’s public papers. There are issues about the extent to which the targets can be measured, the extent to which they represent the Executive’s EYP priorities and the extent to which they include all the EYP issues with which we want to deal.

The third slide illustrates the disparity between the Executive’s EYP budget of £407 million and the local authorities’ EYP budget of £3.3 billion. The issue is the extent to which, without being able to delve significantly into the £3.3 billion, we can follow through what happens to education spending. The £407 million is just the tip of the iceberg in EYP spending.

The fourth slide goes into the local authorities’ EYP budget in greater detail by breaking down the £3.3 billion into secondary headings and giving background information on revenue expenditure on primary and secondary education, and special education, about which we are concerned because of the Education (Additional Support for Learning) (Scotland) Bill. There is also information about capital expenditure. Some of the committee’s questions will target that issue.

If members want the slides displayed as we go through the discussion, they can indicate that and we will put them up. We have asked the minister not to make an opening statement on this occasion. We did that not to cut him off but to give more time for members’ questions on what are difficult areas. I will kick off with questions on the

targets. To what extent do the targets relate to the Executive’s overall priorities? How do the targets relate to one another? Are there top targets within the 11 targets?

The Minister for Education and Young People (Peter Peacock): I am relieved not to have to make an opening statement and I am sure that the committee is even more relieved by that. I have a range of points to make about the targets. First, they are not ranked in order of importance. They are a suite of targets that are designed to help us to pursue our broad objectives and, as the first slide indicated, be complementary and help to fulfil the objectives’ wider targets of growth in the economy, improving public services and so on.

I will come to why we have 11 targets in a moment. However, a much wider range of information is available both to the committee and to the wider public on how we target our EYP activity. The purpose of the targets—indeed, the purpose of any target—is to give a clear direction of travel, to show what we are aiming at and to stretch not only our performance but that of others. Much of our EYP delivery is not directly in our hands but is done by local authorities. Therefore, the targets’ purpose is to stretch performance across the system. They are also an accountability measure. For example, the committee can ask me questions about them and, in turn, we can ask local authorities and others questions about performance.

There is always the danger that we could allocate targets for literally every piece of activity. However, we must strike a balance. We must find appropriate targets that head us off in the right direction and complement the Executive’s overall targets. We must not burden the system by becoming completely target driven in every activity. The “Annual Evaluation Report 2005-06”, which the committee is using for today’s meeting, is a balance between trying to give every Executive target and finding the broad suite of targets that help us to set direction and give the committee a point of accountability for us over time.

We have 11 targets in the “Annual Evaluation Report 2005-06” partly because, as I recall from my time as Deputy Minister for Finance and Public Services, the Finance Committee is keen that we should not have a system that is overburdened by targets. As I will illustrate in a second, we could have a range of other things in the AER, but we are trying to strike a balance between having a broad suite of targets that indicate our priorities and direction and not overburdening the system, partly because of what the Parliament is telling us about the number of targets that we should have.

As well as the AER, you have the technical notes that sit behind it, which will tell you what we

will use to judge milestones along the road. You also have the partnership agreement, which covers a broader spectrum of issues. In education we now have a framework of national priorities and the national priorities document goes into considerable depth about what we are expecting and what targets are being pursued locally more than nationally.

Following national guidance, which backs up the national priorities document, at the back end of last year we published the national baseline performance report on each authority. The published report is the slim version and there is a version for every local authority on a CD-ROM. That provides a wealth of information about what local authorities are targeting, partly because the national priorities are driving improvement, and it covers individual authorities' performance as well as national performance. That is a complete departure from the past, because there is now a much richer set of data provided through this process, which the committee could choose to look into in greater depth. It looks as though we are leading the world in how we are dealing with these matters, given the interest that has been expressed from other places.

In addition, we have Her Majesty's Inspectorate of Education reports on individual schools and on local authorities as units. Within that, the "How good is our school?" report series, which covers different dimensions of school life, is a source for people to see what is happening. From time to time the Accounts Commission publishes reports on school occupancy levels. Its report "Time for Teaching – Improving Administration in Schools" is about freeing up time within the school and I understand that it will be considering how the McCrone settlement is operating. We also have a website that is now full of exam results, which relate to some of the targets and to what flows out of the local target setting.

Increasingly, we are considering local outcome agreements, particularly on the young people side, so that young people set targets with local authorities about what is to be achieved for particular bits of expenditure. We have other reference points. For example, there are the Organisation for Economic Co-operation and Development studies of performance, including the programme for international student assessment study, and there is the progress in international reading literacy study. There is usually a suite of statistical releases that pick things up.

The point of my saying all that is that in education we could be awash with targets and the data that support them. We have plenty of sources of material for scrutiny and we are trying to home in on the broad targets, which are represented on

the slide, as well as the other suite of targets beyond them. We have to strike a balance in deciding on the right set of targets. No doubt you will want to probe individual targets a bit more, but I have outlined the overall shape of the forest and some of the trees on which we can focus.

The Convener: The follow-up question is why those particular targets have been chosen rather than others. One example is the question of linkage between education and economic developments of various sorts. We have said right from the beginning of the Parliament that education is the key to economic progress. Has any consideration been given to educational targets that have an economic perspective?

Peter Peacock: Within the suite of priorities, the improving attainment targets are about ensuring that our young people are leaving school with the qualifications and suite of attributes that they require to be able to contribute not only to the prosperity of their lives but to the prosperity of Scotland as a whole. That is one illustration of where growth in the economy is part of those targets. A slightly different way of looking at it is that the very fact that we are building so many schools and supplying jobs in the economy on a huge scale is another contribution to growth in the economy, although that is not the specific purpose of building schools; they are built to improve the educational surroundings and the environment for learning.

Beyond those targets, there are also points about how we are rolling out enterprise education. There is a target for every school pupil to experience enterprise education at particular points in their lives. There are things in the national priorities that relate to creativity, which is a big factor in creating a more enterprising population with the skills that are required to contribute to the economy. Many things are happening on that front. On the other side of the equation, the fact that we are trying to reduce offending and reoffending is a contribution to keeping costs down in the system as well as to promoting growth per se. Many such areas relate to your question, not just in these targets but in the broader targets that flow from them.

11:45

Dr Murray: Because of the result of the election and the partnership agreement, there has been a change in the way in which the Executive's priorities are identified. We have moved from the five priorities—jobs, crime, health, transport and education—and the two cross-cutting themes to the four challenges that are the headlines in the partnership agreement. We are undertaking a budgetary exercise and examining how money is allocated and how priorities might be reviewed in

the spending review, but it is difficult for committees to identify how funding is allocated to promote the priority areas, given that the challenges are very broad and run across departmental and portfolio boundaries. The targets were identified during the 2002 spending review under the old regime. Given that the Executive has new priorities, do you foresee a realignment of targets or will you continue with the same ones? Will there be a change in the way in which priorities are expressed in your portfolio?

Peter Peacock: I will pick up on two or three points. The targets in the AER include a collection from the most recent spending review, but they are updated in relation to the top-rated partnership priorities. For example, the increase in the number of teachers to 53,000 appears in the group. We are in the spending review process, which will run throughout the summer and culminate in September with the outcomes and, as part of that process, we are revisiting where we target our activity and how we express that. You can expect to see revisions as the spending review comes to a conclusion.

The committee has the opportunity to seek to influence the process in the recommendations that it makes not only as a result of today's session but from the work that it is doing more broadly. The committee can expect some realignment to try to ensure that we are targeting our resources to meet our clear political objectives. However, we should also be clear that in any budgetary situation—but particularly in education—the scope for dramatic changes in spending profiles is extraordinarily limited. We should not delude ourselves—I certainly do not delude myself—that it is possible to shift large chunks of spending from one bit of the process to another; I suspect that the structure of health spending is similar. In education spending, the vast bulk of the £3.3 billion is accounted for by teachers' salaries and the specific costs of running school buildings, such as the loan charges that relate to those costs, or the PPP charges if it is a new school. There is also the maintenance of buildings and the cost of electricity, janitors and so on, and to that we can add school transport, which is a big block of spending. It is difficult to change any of that fundamentally, so any spending review tends to look at the margins. We are revisiting some of the bigger blocks of spending to see whether there are different ways in which to do them. We ask ourselves those necessary questions, but the scope for real change in the budget is at the margins. That is why we have to consider things that involve sums of money that are comparatively small in our terms, such as the enterprise education programme, on which we spend something in the order of £40 million. We are trying to ensure that as a consequence of that

spending, every child in Scotland experiences a new activity that stimulates attributes in them that will help to stimulate the economy. Impacts can be made.

Some of Philip Rycroft's work on the curriculum review will not necessarily cost us money but is intended to create more flexibility and choice in the curriculum, which will allow more time to be spent on creative work that will help our young people, for example. We can take action that is not budgetary and we ought to be clear about budgetary limits.

Dr Murray: Although the budget is to increase, most of that increase is forecast to be spent on health or on the finance and public services portfolio. Relatively little of it appears to be additional education funding. If priorities change and some programmes need to be accelerated, that will happen at the expense of other programmes. Am I right in saying that you will look for savings and efficiencies?

Peter Peacock: Executive ministers are working corporately in a collegiate fashion on the spending review process. I will not get into the business of trying to outbid my colleagues. As a consequence of the partnership agreement, significant extra cash has begun to be fed into the education budget for additional teachers and for additional PPP spending, which are two of our clear priorities. If we are to meet our target of 53,000 teachers, complete implementation of the McCrone agreement and build the schools that we plan to build, that funding is needed. That has tended to go out straight away to local authorities, so it has not sat in my budget.

Dr Murray: You cannot play with those initiatives in the spending review. They are not in your control; you cannot reallocate their funding or give them additional funds. It would be difficult for you to change the level of funding, because it is pre-determined by the targets that you described.

Peter Peacock: We are clear that our priorities in education include closing the opportunity gap, raising attainment and increasing the number of teachers, for particular reasons. We want to target resources on primary 1 and on secondary 1 and 2 maths and English, to reduce class sizes. The aim of that is to improve the system.

You are right to say that we are committed to that cost. Part of the process of the spending review 2004 this summer will be ensuring that we have the resources to meet those objectives. As those are high priorities for the Executive, we will have to look elsewhere in my budget. If pressures exist, I will have to consider how to contribute to their costs from other activities in the budget or to consider what happens in other parts of the Executive, to realign priorities to meet our key political objectives.

I reiterate that we will look for scope to readjust priorities—we do that all the time. One reason why small sums of money are moving into the national priorities action fund is to bring about change in local practice on school meals, discipline or whatever. We always look to realign spending as we go. Given the huge block for teachers' salaries, which are a fixed cost in the system, it is difficult to find a lot of flexibility.

The Convener: I will follow up on the ability to measure the achievement of targets. Target 7 concerns teacher numbers. We know where we want to get to. Is there a case for having year-by-year figures, milestones along the way or another method of judging achievement, rather than the bland comment that achievement is on course? We know that a teacher profile exists and that issues have been raised about teachers of different subjects. Much detailed stuff is involved. We need to have an idea of whether the headline figure—53,000—will increase or reduce and of whether X teachers have been recruited. How can achievement be measured in a way that shows us whether you are doing your job?

Peter Peacock: Members will know when we reach 2007 whether I have done my job. That comment is slightly flippant, but it contains a genuine point. You picked an interesting target, because it is an example of a target that we will not know we have reached until we have reached it, because it must be measured at a point in time. When the school census is taken in August or September of that year, it will tell us precisely whether we have reached the target.

I have asked the same question as you asked. I asked officials how I will know that we are on target. Measuring the number of teachers between now and 2007 will not help us to work that out, but measuring the number of people who enter universities for teacher training will provide a much better clue. In fact, I have been having discussions with statisticians in the department about how we can collect some of that data so that I can be reassured on the point. The target of 53,000 is a challenging one.

The Convener: Are you saying that you do not have statistics on people going to college and all that?

Peter Peacock: We do have those statistics. I am saying that we need to measure the increases in the numbers going to college rather than just the supply of places. We have had negotiations with the universities and have got agreements for increasing the supply of places in the post-graduate certificate course for particular subjects and also in the primary-teaching courses. The point that I am making is that we also have to check whether the places that we have secured are being filled and, if they are not, we have to

examine what we can do to alter that. Perhaps we would have to increase the supply of places in universities, for example.

I need those data to ensure that we are on course. However, in this instance, we cannot know that we will meet the target until we have done so.

In that regard, I should say that the issue is not simply about the supply of places in universities. We also plan to conduct recruitment campaigns to get ex-teachers back into teaching. We hope to have a net inward migration of teachers for certain purposes. We are considering a variety of measures. Further, the rate of attrition of teachers needs to be calculated in. We have to consider the age profile of the profession and work out how many people are leaving at a particular point so that we can secure the places to ensure that enough people are being trained to fill those posts. We have to consider the rates of early retirement and a host of other factors.

Philip Rycroft (Scottish Executive Education Department): I would not want to add a huge amount to that, other than to emphasise the fact that this is a hugely complex exercise. Once we have a teacher in the system, we do not control their destiny; they decide what they want to do with their life. We are trying to predict as accurately as we can changes in the work force. To that end, we are examining how many students who go in at one end of the system stick with the course and go into schools and so on.

The statistical releases from the teacher work force planning exercise were published a couple of months ago and provide a wealth of detail. From that, we try to predict how many students we need to put into the system to ensure that the number of teachers available to local authorities is correct.

I would emphasise that we have to hit that target pretty squarely. It is not fair to aspiring teachers if we overshoot the target and put people into the system even though there are no jobs for them. We are trying to hit a fairly precise target, which is why the exercise needs to be sophisticated.

The Convener: I would observe that part of the issue is to do with presentation, in terms of what can go in the AER to enable us to see what is happening.

Fiona Hyslop: Is the point not that a reduction in class sizes will achieve the high-level targets relating to the economy and attainment? As the convener said, teacher recruitment is a milestone on the way to achieving the educational output. I am sure that similar points could probably be made about a number of the targets that we have been discussing.

Do you think that you might want to change the targets to reflect more properly the outputs that

are required at a higher level in the national priorities arising from either the education debate or the Government's new partnership agreement? Many of the targets are quite historical. They seem to go back to 1999-2000. Of course, if you altered the targets, it would be more difficult for us to call you to account. Do you see that getting hung up on the targets that we are discussing might mean that we are missing the education outputs and that milestones relating to those might be more helpful from a policy point of view? The outputs might be useful in terms of directing funding. For example, the biggest increase in the Government's spend has been directed toward the national priorities.

12:00

Peter Peacock: As I said to Elaine Murray, we are revisiting certain issues within SR2004 to ensure that our targets align with our clear priorities. I would much prefer to be in a position in which you, as the Opposition spokesperson on education and lifelong learning, proposed that I drop targets, than to be in one in which I proposed that we drop them, which would give you the opportunity to say, "The Executive did not like that target, so it is dropping it." I am not making a cheap political point; there is a genuine political dilemma.

If we thought that targets were no longer relevant or appropriate, or that they were misdirected, we would begin to review them. Previous targets have been changed—I think that there was a target at one point about new computers, which became self-defeating because, although there were many more computers in schools, the definition of a "new" computer was such that we would always fall short of the target, so it became a pointless exercise. We revisit targets.

You made a point about continuity, which relates to something that used to come up in the context of an overview of all the AER targets, when I attended Finance Committee meetings as the Deputy Minister for Finance and Public Services. The more we change targets, the more difficult it is for you to track what we are doing and to ensure that we are meeting our targets. There is a surfeit rather than a shortage of targets in the data that are available to the Education Committee. Perhaps we need to explore in detail the committee's particular interests. We are more than happy to supply the data that we have, to support your scrutiny, but we should be clear about the areas that you will consider. It is not just about the AER targets; there is a wider suite of targets, which seek to be representative.

The Convener: I am sorry to digress a little, but the committee might want to come back to interim milestones.

Mr Macintosh: I was going to make that point.

Discipline is one of the issues that the Executive has vigorously pursued, in particular through the discipline task group. However, discipline obviously does not feature as a target. What message does that send to schools? Obviously we cannot achieve everything through the budget—some things are achieved through other measures such as policy changes—but how do you know whether discipline is improving in schools? How do you measure progress on that?

Peter Peacock: There is an input side and an outcomes side to that. We have, through the national priorities action fund, sought to support schools in tackling discipline problems and we have recently established a series of opportunities—"courses" would be the wrong word—for head teachers to come together and share good practice. The anti-bullying network is part of the discipline framework that we fund, which is rolling out good practice. At one level, we can see that changes in practice are occurring. There is anecdotal evidence of that and evidence from Her Majesty's Inspectorate of Education and others of the impact of those initiatives on discipline. Those measures tend to be input-focused.

In addition, statistical releases are published during the year. For example, statistics on violence were published—I asked people to examine those because wide variations in statistical recording practice meant that the figures did not help me to see what was going on. Such statistics provide a reference point for people who want to know what is happening in discipline in schools. They give information about, for example, the number of calls to the police as a result of incidents in schools. Those figures are more consistent than others that we measure because head teachers make a very serious judgment when they refer a matter to the police. Statistics about exclusions from school represent another reference point in relation to discipline. The system contains mechanisms that allow us to consider the matter. Professor Munn is working on a study that will update her 1996 study on attitudes to discipline and violence in schools. Her work will be another reference point.

There are many data and reference points on discipline, so if the committee wants to scrutinise us and check progress on that, we can help. The fact that there is no target on discipline does not mean that there are no data.

Mr Macintosh: I am aware of those initiatives and I am pleased that the Executive continues to support them.

It is good that attention is, in the national priorities, being given to the promotion of

sustainable development in schools. That is obviously being measured and there are a number of performance indicators—for example, links with the local community or the percentage of schools that participate in the ecoschools award. I am trying to grasp how we can hold you to account on those matters. Do you use the performance indicators for the national priorities to observe whether policy is successfully taken up by local authorities and others?

Peter Peacock: You raise two interesting points. One is a point of great significance and is of much more general application than that which you used to illustrate it. The issue is how we at the centre—with national priorities that are agreed by Parliament and with a comparatively small budget compared to the total spend on education—ensure that our policy intentions are carried out locally. Sustainable development may be one indicator of that.

Probably the best way in which to answer the fundamental question about how we operate is to deal with Ken Macintosh's second point. We have moved on the situation in Scotland pretty decisively from pre-devolution days to post-devolution days. We now have the Standards in Scotland's Schools etc Act 2000, which sets out the purpose of education and makes it much broader than before. Previously, the aim was to provide adequate and efficient education; the purpose now is to fulfil individual potential and so on. We have the improvement framework, national priorities, local authority improvement plans—which are submitted to the Executive—and an inspection process to ensure that authorities take action.

For the first time, dialogue is taking place between officials such as Philip Rycroft and his colleagues in the schools group and education authorities about the implementation of national priorities and policies. We have a connection between Parliament's intentions and the Executive's priorities, and there is dialogue with local authorities on that. We have achieved that without centralising education or bringing control to the centre to ensure that that happens. We have achieved a suitable balance, although we are learning as we go how the balance works. As part of the framework, we receive a baseline report on performance improvement from local authorities, which contains a wealth of information and allows the committee to scrutinise closely our work to bring about Parliament's will.

If I may, I suggest that the committee and the Executive should spend more time considering how that system illuminates what is happening with the £3.3 billion block of spending and how performance is being improved, both on the

particular issues that you mention and much more widely.

Mr Macintosh: The target to increase the number of people who take up Gaelic-medium education is useful, although there are no milestones as yet because the figure for this year is the baseline figure. Do you have any evidence that we are making progress? Will subsequent budget documents give a year-on-year figure and a percentage that we can use to measure progress?

Peter Peacock: There will be a school census point for Gaelic-medium education in September and we will know the results in November, so we will know precisely whether we have met the target. The target is a tough one, principally because of the supply of Gaelic-medium teachers. Although the number of Gaelic-medium teachers who are coming through is not part of the targets, we count them. I think that, last year, 25 Gaelic-medium teachers came through, which was eight more than in the previous year. We are trying to increase the supply of teachers to help meet the target. There was a 4 per cent increase in learners two years ago and a 2 per cent increase last year. We will have to wait to see what the census for this year brings, but the target is a tough one. The important point is that we keep focused on the target and try to ensure that the supply of teachers allows us to meet it.

Mr Macintosh: We need to increase the number of Gaelic-medium teachers hugely if we are to meet the target.

Peter Peacock: As Philip Rycroft has pointed out, one factor is that many people who train as Gaelic-medium teachers choose not to go into Gaelic-medium education, but make different life choices. That is another challenge for us. We are considering dimensions that will help to improve that situation.

Philip Rycroft: The shortage of Gaelic-medium teachers is not because of a shortage of training places, but because of a shortage of people who want to become Gaelic-medium teachers. You can look at what is going on in the Highlands in particular in respect of new ways of delivering teacher education, which are maximising opportunities for people who want to teach in Gaelic to get on a teacher training course and get in the work force.

Rhona Brankin: Obviously, not everything is included in the targets. I want to ask about something that is not included, and that is your targets on sustainable rural development, given that there is a commitment to rural areas in the programme for government, and there is the cross-cutting theme of sustainability as well as sustainable rural development. What dialogue do

you have with local authorities about implementing that policy? How can we trace funding within the education budget that is geared towards implementing Executive policy on rural services? How can we measure progress on delivery of education services in rural areas?

Peter Peacock: On your question about whether we in the Education Department have a dialogue with local authorities about sustainable rural development per se, I suspect that the answer is that we do not, other than the discussions that we have on issues such as curriculum developments in respect of sustainability, which therefore embrace the notion of sustainable rural economies. Beyond that curriculum side of the equation, I suspect that specific dialogue does not take place. I presume that that is because we look in part to our rural affairs colleagues to conduct that dialogue. I know what point Rhona Brankin is aiming at, and I will come to it.

On tracing funding, and whether we take account in education spending of the fact that particular costs are associated with sustaining rural communities, the answer is that we do. Grant-aided expenditure for local authorities is calculated according to sophisticated formulae. Education has a particular system, because education funding is not distributed on an equal basis. The centre weights distribution heavily towards additional expenditure for particular rural areas. The more remote the area—Shetland, the Western Isles or parts of the Highlands—the more one finds that there are high unit costs, which we seek to reflect in the grants that we make. In effect, we pay extra grants to rural areas because we acknowledge that they must sustain a much wider network of schools than must other areas.

In addition, at the back end of the previous session arrangements were entered into with COSLA as part of the McCrone funding. Local authorities were saying to us that insufficient weighting was being given to teacher costs in rural areas as a consequence of the McCrone deal. We talked that funding up, because we recognised that we had to give more to sustain the network of rural schools. Funding is weighted towards rural areas.

I suspect that behind the question on rural sustainability and whether we are in dialogue with local authorities about their school estate is the fact that a number of school rationalisation programmes are under way. There is dialogue about the school estate, which takes place principally in the context of long-term planning for proper provision of schools, and their maintenance. One of the great tragedies of the past 20 years or more has been that central Government funding mechanisms have allowed

the school estate continually to decline. We have said clearly that we need to sort that out, and sort it out for the long term, hence the huge investment in public-private partnerships that we are stimulating. PPPs give not only new capital spend, but secure over prolonged periods maintenance spend that is designed specifically to ensure that our school estate does not decline in the future.

That is giving rise to local authorities taking a 30-year view, roughly speaking, of their investment requirements and of the shape of the schools in their areas over that period. Within that process, significant roll declines are coming, which is giving rise to a series of considerations—for example, in Rhona Brankin's constituency—about school rationalisation.

Beyond PPP, we are developing a broader school estates strategy, and there is dialogue with local authorities about that. The Accounts Commission for Scotland also pointed out in the not-so-distant past that there is a huge surfeit of school places in certain parts of rural and urban Scotland, so we have many under-occupied schools.

12:15

The combination of all those circumstances leads to those matters' being considered locally. I am anxious to ensure that those considerations are weighed up fully, sensitively and properly and that, in any case in which a school is considered for closure or a number of smaller schools are considered for amalgamation in a new building, rural sustainability is taken into account properly within the equation.

In fact—as I think I said in response to questions in Parliament recently, if not last week—we want to ensure that local authorities have regard to the test of proportionate advantage that Brian Wilson, a Scottish Office predecessor of mine, set out a number of years ago. That means that local authorities should weigh up the educational and financial benefits of particular actions and, equally, the disbenefits of those actions, and should make a balanced judgment before coming to a conclusion. They should do so very openly so that the public can see what is being done. I have been speaking to officials about my desire, and our need, to clarify further what we mean by the test of proportionate advantage so that the public sees decisions much more clearly.

The Convener: We will, with your permission, have you back before the committee on the matter.

Peter Peacock: I look forward to it.

Rhona Brankin: Given the additional sums of money that are allocated to local authorities on the

basis of rurality, is it true that there should be no need under the rural estates strategy to close rural schools if those schools have healthy rolls and play an important part in their communities?

Peter Peacock: Sitting in Edinburgh today, I am anxious not to make a blanket judgment that says that no pattern of schools should ever alter—that would not be wise—but I apply that statement equally to urban schools. I do not think that the phenomenon is unique to rural schools—although you raise it in that context—because similar arguments could be applied to urban schools in deprived communities, with which there are also issues.

If the question is whether some specific reduction in spending is forcing the closure of rural schools, I think that that is not the case. That is not to say that local authorities will not always want to ask themselves whether they can deploy their resources more effectively than they did 10 years ago in order to give them the opportunity to increase services in one area of service without diminishing them in another area. That is part of the balance in the test of proportionate advantage. That test asks to what use the saving that is being sought will be put and whether the education of a young person is being disadvantaged in any way to release that resource. It also asks what the highest priority is. If it is to manage resources more effectively, that might imply some school rationalisation in order to provide more opportunity.

School closures are not being driven by some unique cost pressure. The biggest factor at work is the substantial demographic change that is occurring in parts of Scotland. Up to 40 per cent decline in school rolls over the next decade or so is projected for some parts of Scotland, and everybody will have to pause to think about what the impact of that will be on any particular group of schools. That is not a comment on Rhona Brankin's constituency, but on the general situation. There are other parts of Scotland where, of course, the population is growing and where viable smaller schools are considered to be among the means of attracting population to the area and making a contribution to economic development. A variety of factors are at work—we will have to spend several hours talking about them at some point in the future.

Rhona Brankin: It is accepted that services in rural areas will cost more. The money that central Government allocates to local authorities acknowledges that and rural schools are therefore not treated in the same way as urban schools in respect of spending. There is a clear recognition that rural services cost more.

Peter Peacock: Yes, but I will make one qualification to that: it is also recognised that there

are additional costs in certain deprived urban communities. Our grant-aided expenditure calculation includes a line about distribution of resources for areas of deprivation because those have additional cost factors, but if you take the average grant distribution—we will give you the figures if you want them—you will find that the unit cost of spending and the grant level of spending are, on average, much higher per head of population in rural Scotland than in urban areas.

Lord James Douglas-Hamilton: Is not it an inescapable reality that the number of schools in fragile rural communities has, over the past 10 years, declined from 800 to 600? Do you agree that that means that those areas have had to take a disproportionately high share of closures, even taking into account declining school rolls and the other closures that have taken place throughout Scotland?

On budgeting, has sufficient account been taken of the increased cost of school transport as a result of such school closures? Although there might be a saving in one respect, there will be extra expenditure in another. Would bringing in a national presumption against closure, which has been strongly recommended by the Prime Minister south of the border, have cost implications? Do you have a closed or an open mind on that issue?

Peter Peacock: I do not think that it is wise for the centre to presume either for or against closure. It is wise to set out the range of matters that we think local authorities should consider to ensure proper balancing of the factors that you mention.

Lord James Douglas-Hamilton: Why do you consider the Prime Minister's policy on this issue to be unwise?

Peter Peacock: I do not comment on matters in England and Wales. We have devolution in order to allow us to find our own solutions to our own problems. It is entirely possible to find, in much education policy over the years, entirely different policy approaches. That is entirely consistent with a devolved situation. I make the point again that I do not think that it is wise to presume one way or the other; it is wise to make clear the set of considerations that is involved.

On Lord James's second point, you are absolutely right with regard to the cost factors that are involved in any school rationalisation that savings and increased costs ought to be set out clearly. As you say, such increased costs might arise from factors such as school transport. Once those elements have been set out, the net effect must be weighed up. Furthermore, elements must be considered such as the effect on young people's day of increasing their travel time. That might add to their education experience, diminish it or be neutral in that respect.

On there being a disproportionate number of closures in rural areas, there are parts of Scotland in which it would never be possible to rationalise beyond the situation that pertains at the moment because it would be unreasonable to expect people to travel the huge distances that would be involved. Principally, that is the situation in island communities and in large parts of the west Highlands and parts of Grampian, Angus and the south-west. In those places, pretty small school rolls are being sustained by small groups of teachers.

In parts of rural Scotland where that situation does not apply, there will have been a number of amalgamations of schools. When I was a councillor on the Isle of Skye, the education authority built a new school in a community with the consent of that community, and three schools closed because the local population thought that they were not sufficiently viable. People were happy to travel the distances involved because they got a new facility. That has been happening for the past 150 years in Scotland. Schools, post offices, churches and rural communities themselves have moved during that time.

What is important is that those decisions are taken sensitively and locally, that people understand why councils are addressing those questions and that data are set out that allow people to make judgments about the decisions.

Ms Alexander: I would like to move on to a different subject. We have talked about targets already, but I want to deal with financial accounting for education spend. There is an increasing desire for visibility of the total education spend on schools. After all, as the report points out, local authorities receive £3.3 billion for education and the Scottish Executive Education Department gets £400 million, which figures taken together account for slightly more than 10 per cent of the Scottish Parliament's total budget.

As you know, the committee has discussed whether we should resolve the matter here and now. Indeed, we could enter into dialogue with the Executive to ensure, on a cross-party basis, that we raise the issue of making financial accounting more visible. At the highest level, people are not looking at the GAE spend, because some local authorities spend significantly more and others spend significantly less than that amount; instead, they want a single source that would allow any member of the public to find out what authorities actually spend on education over a reasonable, perhaps five or 10-year, time horizon. Would it be possible to talk to you and your officials and, perhaps, subsequently to COSLA about how someone could find out how a tenth of the Scottish budget is actually spent? As far as GAE spend is concerned, it is based on recommendations rather

than on actual spend. What is your general view on how, without impinging on local government's autonomy, we could introduce transparency and visibility into spending of such magnitude?

Peter Peacock: I have several thoughts on those questions. First, it is entirely possible to illuminate those matters at a purely technical level; indeed, there are publications that do so. As far as GAE is concerned, we have all the calculations for inputs and we know how we distribute that money. However, to spend years examining such matters—which I used to do—is not always the most productive use of time. Although the way in which we arrive at our conclusions should be visible, I point out that we are not talking about spending targets but about the way in which Government distributes a fixed sum of separate resource.

On the other hand, individual local authority accounts also reveal total spends. The Association of Chartered Certified Accountants used to produce a splendid document called the rating review, which was very revealing about expenditure patterns and comparative data involving local authorities. I presume that that document is still produced, but I am not 100 per cent sure. In addition, we publish documents that break down school costs and costs per school.

I suppose that I want to address the question behind Wendy Alexander's initial question: should we take an accountancy-based approach or a performance-based approach? After all, we can always produce the figures for education spend, but we should perhaps examine not just how the cash was spent but the performance that we received for that money. I am quite sure that the committee clerks and Executive officials could have a dialogue about that, if the committee is interested in it.

I should raise a couple of points in that regard. Performance reporting through the national priorities that I touched on earlier allows us to get into things in quite a lot of detail. The ability over time to measure things more effectively than we have in the past will in turn allow us to adjust and attune national priorities and targets. As a result, we can all impact on how matters move forward.

Moreover, inspections of local authorities' education function, which have never taken place before, give us another reference point for performance. Members will have seen from recent reports that HMIE is very clearly drawing out the areas where local authorities are adding or are not adding value to education locally. That key consideration for finances and performance has given rise to some of the dialogue that Philip Rycroft and his colleagues are having with local authorities on improving performance, on setting targets, and on techniques in and approaches to

driving up standards, such as intervention and quality assurances processes. As that is the really productive end of examining how the money is being used, we should perhaps spend more time talking about it.

12:30

Ms Alexander: I agree whole-heartedly. Although Elaine Murray and I are on the Finance Committee, we are not really interested in pursuing that agenda through that committee, because the financial accounting aspect is meaningful only if it is linked to the national baseline performance. The committee has tried to do the right thing by appointing specialist education advisers who take an interest in the budgetary aspect of education. I agree that the issue is how we close the gap and establish the link between the national baseline performance data and the money that is going to local authorities. I hope that that process will become slightly less techy and something in which politicians and the wider public will properly take an interest.

The inspection process of local authorities is a good one. An inspection of Renfrewshire Council has just been carried out, which has been helpful in indicating what it does well or badly. Of importance to the committee is the gap in public information on that process. From the allocations of the £3.3 billion that the Executive gives out through GAE, it is clear that the amount of that resource that local authorities hold on to centrally varies from authority to authority, as do the outputs that they achieve. Some authorities provide a high level of central services effectively; some provide a low level of central services less effectively. There are some gaps between the performance data and the financial accounting data, which our committee could talk to the Executive's advisers about over a six or nine-month period. We need to consider how we can ensure a little more visibility of what is happening to that 10 per cent of the budget, to make it more accessible to those who should properly show an interest in it.

Peter Peacock: We would be happy to discuss with the committee how we might do that. We have moved forward on the national priorities performance reporting partly to create a climate in which local authorities can self-evaluate, compare themselves to other authorities and work out what they are doing effectively and what they might be able to do more effectively if they were to ask themselves certain questions. That is perfectly legitimate territory. It would be odd, frankly, if the Parliament spent a lot of time in scrutinising the £400 million that is under my control—which I am happy for it to do—but paid no attention to the £3.3 billion. There is a point of principle in that.

It would be useful to illuminate, in the light of your comment, the variation in costs. I am not sure whether it is as pronounced as some think it is. However, that is worth bottoming out, if for no other reason than to find out what the variation is. We are aware of the fact that, because of our local government structure, there are structural inefficiencies in our system. There are questions of scale and capacity. I suspect that the recent HMIE reports, of which we have had a series, are beginning to reveal that to us to some extent. However, we need to look into that more closely.

I am acutely conscious of the fact that, in Scotland, local authorities are statutorily obliged to provide education. They do that within the legislation that Parliament approves, according to guidance and regulations that we issue. However, they also have democratic accountability locally and add to their expenditure through local taxation, for which they are clearly accountable. We must be careful that we do not seek to intrude on that legitimate area of local autonomy, although you are right to point out that we must ensure that the expenditure agreed to by the Parliament is properly scrutinised by the Parliament.

Fiona Hyslop: I welcome the minister's comments. If we can take from what he is saying that he would like to co-operate with the committee—not just at budget time, but continuously—in trying to ensure transparency of the process without necessarily threatening local authorities' autonomy, that would be helpful, as such a process would be a useful way of the Parliament and the Executive working together.

On the relationship between national and local spending, it is interesting that there will be a substantial increase in the non-revenue support grant element for education, from £5 million in 2003-04 to £108 million in 2005-06. Why is that? There also seems to be a trend for more initiative funding coming from the Executive, as opposed to revenue funding. What is the rationale behind that?

It looks as though there is to be an increase of £113 million in education spending. However, we are concerned about how much of that is new money and how much is transferred from elsewhere. We understand that money is coming out of the revenue support grant and going into PPP, which might preclude local authority spending in relation to prudential borrowing, for example. Is that new money that is going into PPP? The national priorities action fund seems to have transferred from pupil support so, again, is there any new money in that?

On the national priorities, some of the targeting seems to be missing child protection and children's services. Interestingly, in the alleged increase of £113 million, it looks as though there is

a transfer from children's health services into children's education services. When the money reaches local authorities on the front line, is there a substantial increase in resources going into schools and the education of children? How much of the £113 million is money that has been transferred from other budgets?

Peter Peacock: If you want to ask us detailed questions about specific transfers, I—or my officials, who will be more able—can deal with them here or I will be quite happy to write to the committee if you give us the questions to take away.

The figures that you have been touching on are indicative of the fact that, during any budget period, there is a series of transfers in and out of departments' budgets. That is partly because we realign who is delivering what. For example, there might be flows into the changing children's services fund, which my department administers, from departments such as the Development Department and the Health Department, and there will be shifts from bits of other budgets into that fund. There are transfers into and out of budgets all the time; that is fairly normal. We can track all of that for the committee, if members wish. There is no particular difficulty with that.

The £113 million is all new money to our portfolio and it adds to what we were previously spending. However, in turn, it is partly made up of transfers from other departments in order to reflect the kind of things that I have just illustrated. Again, we can break those figures down for the committee, if members wish, although I hope that that would not just be to help any member with a particular press release.

Fiona Hyslop: No, it is just for the committee.

Peter Peacock: You made a point about a general increase in central funding and the national priorities action fund in particular. We have to keep that firmly in context. We are talking about national priorities funding of approximately £160 million. Increasing that even by £5 million, £10 million, £15 million, £20 million or £30 million during a particular year does not, relative to the £3.3 billion, represent a centralising trend. It is very much at the margins of what we do.

We should also be clear that the purpose of the national priorities action fund is, as its name implies, to ensure that we can make progress on our national priorities. The fund is designed to stimulate change of activity and incentivise that change at a local level. Money is going out for matters such as nutritional standards in school meals, discipline and the questions of ethos that Ken Macintosh mentioned earlier, the implementation of new national qualifications, study support and alternatives to exclusion. All

those issues fit within the national priorities action fund and they are designed to stimulate activity. That is a legitimate use of central cash. Most of that cash is ending up with local authorities anyway, but it carries some conditions.

Within the national priorities action fund, we are considering removing some of the barriers between different funding streams. During discussions, several local authorities have said that it would be helpful if there were not so many strands of reporting back to the Executive on broadly analogous issues. We are seeking to remove those barriers so that local authorities have a much freer hand, but there has to be some understanding of the outcomes that we expect for that expenditure. We are hoping to move in that direction.

Philip Rycroft: The question is fairly straightforward: where do we put our energy and our resources? Should we be looking at the outcomes that we want to achieve to see whether they have been achieved, or do we try to follow the minutiae of all the different funding lines? If we create a menu, as it were, of measures that we expect to receive support through the national priorities action fund, but allow local authorities far more discretion in spending, our energy, and that of local authorities, can be applied more to achieving the outcomes that we want rather than to working out whether £2 million was spent on support for parents and £1 million was spent on school meals or the other way round. That sort of information is not particularly useful for us. The useful information is, for example, whether funding has secured an improvement in school meals for the young people in a local authority area. If we make progress on that aim with local authorities, we will have a better handle on the outcomes and we will put our energy into the right place.

Fiona Hyslop: To return to Wendy Alexander's point, if you are shifting your thinking to outcomes and giving local authorities discretion to deploy moneys as long as outputs are in keeping with national trends, do you agree that the committee and Parliament need some way in which to account for the spending?

Peter Peacock: You touched on that issue earlier and I meant to comment at the time—you have re-prompted the thought. On our target of 53,000 teachers, given the way in which GAE works, we can float cash into the system, but that is no guarantee that it will get to where we want it to go. The Executive has a specific target on the number of teachers. We have opened up discussions with local authorities and we will have further discussions to make clear the outcomes that we want for the extra cash. We will have to strike an outcome agreement with the authorities.

We have a model for such an agreement: we used a similar one for the quality-of-life money that Andy Kerr fed into the budget in a previous financial year. We had a menu of objectives to be achieved, which was shared with the local authorities. Those objectives were achieved. That is a light-touch way of achieving objectives. The target on teacher numbers is an example of an issue on which we need more focus on outcomes, otherwise Wendy Alexander or you—or both of you—will rightly say to me in three or four years that the objective has not been achieved even though cash was floated in for that purpose. I have to ensure that the objective is achieved, but in a way that is not unsympathetic to the spirit of local government and local accountability.

Fiona Hyslop: I would appreciate a quick response to the question whether the £113 million is new or has been moved about, because we have to produce a draft report.

Peter Peacock: There is no problem with that. If you tell us what you want to know, we will happily do that.

The Convener: I leave it up to Fiona Hyslop to specify more clearly the information that she wants.

Lord James Douglas-Hamilton: Which areas should be protected from potential spending cuts?

Peter Peacock: I suppose that every minister would start their answer to that question by saying that every part of their budget should be protected. As I said earlier, ministers are approaching the spending review as a collective group; we are not seeking to outbid one another in public or in any other way. We are focused on the points that committee members raised earlier about the Executive's overall priorities on growth of the economy and improved public services. Collective decisions will be made about that in due course. As I said, education has a lot to contribute to those collective objectives. We have clear priorities and targets on teachers and building new schools, which we have discussed today. All of that will be worked out during the spending review.

That is not to say that in all budgets we are not constantly considering ways in which we can deploy resources more effectively or looking for things that we were doing at one time that may not be required, which allows us to reprioritise. We are entering the spending review in that spirit. The discussions will take place in the coming months.

The Convener: Within that, do you have narrower priorities for realignment of funding from the spending review? What issues would be at the top of your hit list if money were available?

Peter Peacock: To be frank, we are in the early stages of discussions on that in the department. It

would not be right for me to reveal anything, when we have not fully concluded our internal discussions on the matter. We would like more attention to be paid to certain areas of activity in education.

I am currently focusing on the question of leadership in education. It is clear that good directors of education can stimulate and bring on the performance of good head teachers. Where there are stimulating, good teachers, there will be stimulating, good schools, good classes and good pupils. Leadership in schools is hugely important. We are working on ideas for strengthening that over time. We have still to sort out whether to do that by providing additional resource or by realigning resource. Leadership is one area in which we may want to do more.

I have already indicated publicly that, within the spending totals, there are other areas to which I would like to give more attention. With the expanding number of teachers, more attention should be given to physical education, music and drama—the creative side of a school's life. We would also like further progress to be made on additional support for learning. There are many other such issues. In any spending process, we need to work out what balance we should strike between all those issues and what we can afford to do at a given time.

12:45

Ms Byrne: Fiona Hyslop touched on the reduction in pupil support. According to the paper that I have in front of me, inclusion will lose £12 million. How does that fit in with target 4, which is to achieve better attendance in deprived areas? How is that target being monitored? Pupil support and inclusion are one of the key areas for implementing a more flexible curriculum, which is closely connected with efforts to improve behaviour and to implement the recommendations of the discipline task group report, "Better Behaviour, Better Learning". How will the reduction in spending affect that? I would like you to provide an overview of where we are heading. I know that I have raised a number of issues in one question, but pupil support and inclusion are closely linked to the aims set out in "Better Behaviour, Better Learning".

Peter Peacock: Donna Bell will keep me right about this, but what you refer to as a reduction is an internal transfer from one part to another part of the budget; it is not a reduction in spending.

Donna Bell (Scottish Executive Education Department): The issue is the delivery mechanism for the funding. There has been a transfer to the national priorities action fund, as that is considered a more appropriate vehicle for

delivery. The purpose of the funding is not changing; it is simply being delivered in a different way.

Peter Peacock: The cash is still there—we have moved it from one bit of the budget to another and have administered it slightly differently.

On the broader point, members should be under no illusions—I am not seeking to reduce spending at all on support for improving behaviour, on additional support needs or, as Rosemary Byrne hinted, on aspects of the curriculum, due to flexibilities that we may secure through the curriculum review. If anything, we want to attach higher priority to and increase spending on those issues, which may be done through the departmental budget.

I am acutely conscious of the need to keep moving forward on additional support needs, in particular—we must not stand still and we must certainly not move backwards. We need and plan to do more to support teachers on behavioural issues in schools. We are considering our priorities in relation to issues of that kind as part of the spending review process. Please do not take the administrative change that has been made as a signal that our attention to such issues is diminishing, as it is not.

Ms Byrne: Is it possible for us to get more detail and a breakdown of the figures?

Peter Peacock: Yes, we can provide that.

The Convener: This is an issue that we could discuss at great length—even more than we have discussed it. As there are no further questions, I thank the minister for appearing before the committee today. We have kept him longer than he was budgeting for, but we are very grateful to him.

Peter Peacock: Is this an overspend?

The Convener: There are one or two issues on which we want to follow through. We look forward to engaging with you on those thereafter. Wendy Alexander raised the key issue—the importance of on-going engagement between your officials and the committee's financial advisers to provide more clarity on difficult figures and the output of information. I am willing to talk to you further about that in due course.

We have run a little over time, but the final item on the agenda is discussion of issues arising out of consideration of the budget process, with a view to producing our budget report. We do not want to go on for long, as some reasonably clear steers have been given. Before we finish, do members want to make any other comments?

Fiona Hyslop: I will have to leave sharp, so I want to talk about the follow-up to our questions

about the £113 million. I suggest that the clerks look at section 1.3—"The Figures"—on page 3 of our financial advisers' report. Questions can be based on points 2 and 4 on page 3.

Points 6 and 7 on page 5 concern whether the £113 million is an increase or just money that has been transferred from other budgets—some from internal education funds, as the minister acknowledged, and some from other portfolios. If health money for the changing children's services fund came from a Health Department children's fund, that would be a concern. I ask the clerks to put together with the advisers a series of questions that are based on points 2, 4 and 6.

The second bullet point under point 7 says that the transfer from qualifications, assessment and the curriculum to schools relates to known in-year pressures. I suspect that that is Scottish Qualifications Authority money. We could usefully ask a question about that.

Those questions would provide the basis for following up on how much of the £113 million is from money that is being shifted and how much of it is new.

The Convener: I am not sure whether the same issue emerged from the answer to Rosemary Byrne's question about additional support for learning.

Fiona Hyslop: That probably was the same issue. It is not listed in the private paper.

We obtained a commitment to dialogue on drilling down to ensure that we and the Executive can account for the billions of pounds of expenditure in the block. A follow-up letter that set out the terms of that would be helpful. I thank Wendy Alexander for pursuing that matter.

The Convener: Do members have any other general points to make? Do the clerks need more of a steer?

Martin Verity (Clerk): Members have indicated the subjects in which they are interested. It is our job to put those in a draft report for our meeting next week.

The Convener: The remaining matter is the format with which we ask the advisers to proceed. We need to have a detailed discussion to pin that down.

Dr Murray: The Finance Committee has posed a series of questions to which it wants us to respond. We need to bear in mind the information that that committee seeks from all committees, to allow it to take an overview. We need to structure our work within that.

Fiona Hyslop: Some of our advisers' suggestions about whether the targets fit and the answers to some of Elaine Murray's questions

could substantially meet some of the points that the Finance Committee has raised.

The Convener: That is right.

We will discuss the draft budget report next week and finalise it the week after that.

Dr Murray: I have a general request about the timetable. I do not seem to have received a work plan for some time. Like Wendy Alexander, I did not know that we were to have a meeting on the afternoon of 26 May. Perhaps my work plan has gone astray. It would be useful to have the work plan circulated.

The Convener: I am happy to circulate that information. The work plan's details change all the time. I cannot remember when it was last circulated, but there is no difficulty in doing that before next week.

Rhona Brankin: We have agreed to ask Peter Peacock about rural schools. Could we ask for information from Ross Finnie, as he is the minister with responsibility for implementing Executive policy on rural areas?

The Convener: That information certainly should come from his department. Do you want that in writing from him?

Rhona Brankin: That would be useful.

The Convener: We will write to him.

Rhona Brankin: We decided to examine the curriculum review, but I wonder about the timescale for that.

The Convener: The Executive is at an early stage in that review. Although a fair bit of legislation is coming, our agenda is relatively thin in June. One thought was that we might have a preliminary consideration of the children's hearings review then and get our heads round that subject. Otherwise, we might consider the curriculum review, which you mentioned. I am not sure whether we would be too early on that.

Rhona Brankin: I am worried that we would be too late. I understand that the curriculum review is further on than the children's hearings review is. Could that be clarified?

The Convener: We will check the timescales.

Dr Murray: At one stage, a Cabinet sub-committee was examining rural development policy throughout the Executive. Should that have taken an interest in the educational issues? Does that sub-committee still exist?

The Convener: We are straying slightly from the budget process.

Dr Murray: I know; the matter is more relevant to the rural schools question.

The Convener: We are mainly discussing our timetable.

We will circulate the work plan to members and discuss the draft budget report next week. The clerk and I will make adjustments to take account of the points that members have made.

Meeting closed at 12:56.

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