



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 16 June 2010

Session 3

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EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE
19th Meeting 2010, Session 3

CONVENER

Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

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*Alasdair Allan (Western Isles) (SNP)
Claire Baker (Mid Scotland and Fife) (Lab)
*Ken Macintosh (Eastwood) (Lab)
*Christina McKelvie (Central Scotland) (SNP)
*Elizabeth Smith (Mid Scotland and Fife) (Con)
*Margaret Smith (Edinburgh West) (LD)

COMMITTEE SUBSTITUTES

*Ted Brocklebank (Mid Scotland and Fife) (Con)
*Hugh O'Donnell (Central Scotland) (LD)
*Cathy Peattie (Falkirk East) (Lab)
*Dave Thompson (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Des McNulty (Clydebank and Milngavie) (Lab)

THE FOLLOWING GAVE EVIDENCE:

Lesley Fraser (Scottish Government Children, Young People and Social Care Directorate)
David Henderson (Scottish Government Public Sector Reform Directorate)
Colin Reeves (Scottish Government Learning Directorate)
Michael Russell (Cabinet Secretary for Education and Lifelong Learning)

CLERK TO THE COMMITTEE

Eugene Windsor

LOCATION

Committee Room 6

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 16 June 2010

[The Convener opened the meeting at 10:00]

Local Government Funding of Education and Children's Services

The Deputy Convener (Kenneth Gibson): Good morning. I welcome everyone to the 19th meeting of the Education, Lifelong Learning and Culture Committee in 2010. Item 1 is evidence from the Cabinet Secretary for Education and Lifelong Learning as part of the committee's scoping exercise on local government funding of education and children's services.

I welcome to the committee the cabinet secretary, Michael Russell MSP, and, from the Scottish Government, Colin Reeves, deputy director in the options and partnerships division; David Henderson, head of the local government division; and Lesley Fraser, deputy director for safer children, stronger families.

I invite the cabinet secretary to make an opening statement.

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Thank you, deputy convener—I am grateful for the invitation to attend the committee today. The committee's inquiry is very important, particularly in the light of current public sector funding constraints and the projections forward. It is important that we understand as much as we can about the relationships that exist between various parts of government.

The committee has been provided with a briefing paper, and my officials have attended the committee to discuss the issues. I will start by explaining my understanding of the budget process and attempting to distinguish the role of central government from that of local authorities. In the light of the committee's inquiry and what you have done so far, it is clear that that is central to what you are trying to understand.

The concordat is the key to the achievement of the Government's policies. It was signed in November 2007 and signalled a fundamental change to the relationship between the Scottish Government and local government. It gave local government more freedom and flexibility to respond to local priorities.

It is important to bear in mind that local authorities are locally elected and democratically accountable, but they also have statutory duties and power in relation to education and many other functions. Ministers have a strong role to play in setting priorities, and the curriculum for excellence and the early years and early intervention strategies are delivered through the principles of getting it right for every child. Those are key priorities in education and children's services, and I know that they are shared by local government.

I have a role in setting the overall framework, and in influencing and shaping the direction in which we travel. However, despite—or perhaps complementary to—that influence, local authorities are independent corporate bodies. Our focus is on working together and working better to achieve shared outcomes. That new relationship is underpinned by single outcome agreements that are signed with each community planning partnership. Single outcome agreements contain an agreed statement of local and national priorities but, rightly, they do not go into the detail of local service delivery. That is a matter for individual councils and their community planning partners to determine.

That arrangement was long argued for by local government and has therefore been met with enthusiasm. The Scottish Government clearly sets the national direction and stands back from micromanaging what councils do. Councils take responsibility for their own decisions and are answerable for those in the context of a nationally agreed performance framework that underpins the Government's national purpose.

Over the current spending review period, up to the end of 2010-11, the Scottish Government will have provided some £35 billion to local government. That is around a third of the total Scottish budget, or 34.08 per cent to be precise. The Scottish Government revenue grant supports about 80 per cent of the total local authority net revenue expenditure, with the remainder largely funded through council tax.

Revenue grant is allocated among local authorities using a needs-based formula that was developed in consultation between central and local government and is of long-standing duration. It takes account of population and deprivation to ensure that funding allocation is as fair as possible. It is for each council to allocate the total financial resources that are available to it on the basis of local needs and priorities, while ensuring that it fulfils its statutory obligations and a jointly agreed set of national and local priorities, including the Scottish Government's key national outcomes and a number of jointly agreed commitments.

As my officials have previously explained to the committee, only a very small proportion of the

education and lifelong learning budget is given directly to local authorities for spending on education outwith the overall formula. The key point is that, in comparison with the £5.4 billion that is spent on education and children's services by local authorities each year in Scotland, the Scottish Government directly funds only a very small proportion, even taking into account indirect funding—for example, where the Scottish Qualifications Authority pays local authorities for staff time. The amount of local authority education funding that is paid for discretely by the education and lifelong learning portfolio is less than 5 per cent.

It is a myth that the concordat has resulted in a shortage of funding in schools, for example. The Scottish Government has only ever funded a very small fraction of the total local authority spending on education and children's services, and has never prescribed how much should be spent in total on those services from the more general pot.

Having said that, I think that it is important to recognise that flexibility exists to enable small pockets of funding to be occasionally made available by agreement with the Convention of Scottish Local Authorities to fund specific development work. The funding that we provided in 2009-10 for 100 teachers to support the implementation of the curriculum for excellence is a good example of that.

I have an important role to play in ensuring that publicly funded education and children's services are delivered efficiently and effectively. Under the Standards in Scotland's Schools etc Act 2000, Scottish ministers are charged with endeavouring to secure improvement in the quality of the school education that is provided for Scotland and exercising their powers in relation to such provision with a view to raising standards of education.

That is achieved by a number of means. National bodies such as the SQA, Learning and Teaching Scotland and the Scottish Further and Higher Education Funding Council are directly accountable to ministers. The agreed policy framework, the single outcome agreements and the concordat provide the agreed basis for delivery, including commitments to quality. Key national policies such as the curriculum for excellence are delivered using a formal programme management approach, with local government accepting that it is accountable for the delivery of its contribution.

I commission the inspection of service delivery, and the various inspectorates report to ministers and to the public on the quality of delivery by local government. Recommendations for improvement are made by the inspectorates, which follow up

with councils and schools until they are satisfied that those have been implemented.

As the committee will know, Her Majesty's Inspectorate of Education has recently announced its plans to provide additional support for the implementation of the curriculum for excellence. From August to December 2010, HMIE will refocus its work by postponing all inspections in local authority secondary schools and carrying out a reduced programme of inspections in primary schools.

District inspectors and directors of education work together to identify areas of support. There will be some additional sampling where necessary, so that HMIE can continue to offer advice on the overall state of play in the introduction of the curriculum for excellence throughout Scotland.

I mention that work because it provides a prime example of the key partners in education working together to achieve the outcomes that we seek. For children's services, the Social Work Inspection Agency and HMIE play a vital role in ensuring the quality of service that is provided to children and young people. I can talk about the outcome-focused multiagency inspections of Scotland's local child protection services during the meeting if it will be helpful.

I fully understand how important the inquiry is. It is worth exploring the funding of education and children's services, and—perhaps more important—who runs the different facets of Scottish education and children's service provision and who is accountable for what. As I said, the issue is of particular relevance in times of increasing fiscal austerity.

We should not lose sight of the overall objective—the most important thing—which is to secure the best possible outcomes for our children and young people by providing first-class services and the best education system for Scotland. We need clarity about who is responsible for what, and that is provided by the concordat and the statutory duties that are set out for local authorities. We need to make necessary improvements, and the curriculum for excellence establishes much of the framework for those.

We look to local authorities, schools and individual leaders and practitioners to drive that agenda forward, but we should never lose sight of the agenda and its focus on our young people.

The Deputy Convener: I thank the cabinet secretary for that full and detailed opening statement. Before we go any further, I tell members that I have received apologies from the convener, who is unable to attend today as she is at a funeral, and from Claire Baker, who hopes to arrive later in the meeting.

Cabinet secretary, you said that the objective is to deliver the best possible outcomes, and you talked about the need for clarity in that process. There is concern among committee members that there is not enough clarity, and we wish to ask you about issues relating to scrutiny as the meeting progresses.

For example, scrutiny of the Scottish Government budget involves the scrutiny of inputs rather than outputs, and witnesses have acknowledged the difficulties in linking finance to outcomes and tracking the public pound. In February, Scottish Government officials told the committee:

“The scrutiny of how the budget is spent is a local matter for the auditors of a council and not a matter for us. If the delivery of a service to a particular group was inadequate, that would come to our attention through the inspection process.”

You touched on that in your opening statement. Audit Scotland considered that there was a role for the Parliament in scrutinising how local authorities spend their money. It stated:

“Councils are not accountable to the committee directly, but it is entirely proper for the committee to take an interest in what is being achieved with the public money that is spent. Further discussion is probably required between the Scottish Government and councils on what is needed to underpin the concordat and single outcome agreements to ensure that everybody can see the progress that is made and the areas where more needs to be done.”—[*Official Report, Education, Lifelong Learning and Culture Committee*, 3 February 2010; c 3118, 3144.]

Should it be possible to track the public pound from policy commitment to spend to implementation?

Michael Russell: It was widely agreed across the parties that ring fencing had become destructive. With its removal, we removed the micromanagement of council spending. The national outcomes provide an important framework for us. It is up to the councils how they use the money at their disposal, but it is important to recognise that the concordat is well constructed in that regard. Under the concordat, the funding implications of any new policy have to be discussed with COSLA before implementation and agreement has to be reached on how costs are met. That could be through additional funding from the Scottish Government or it could be from savings elsewhere. Every new policy commitment has a cost attached to it and that should be agreed between the partners. The Scottish Government and COSLA also agreed in the concordat that there should be monitoring where appropriate. What we do not do now is impose monitoring on councils without their agreement, which was another important part of the concordat—respect between parts of government.

Your point about outcomes is extremely fascinating because part of the difficulty that the committee has to grapple with is that we are in the process of moving towards that outcomes-focused type of government. In these circumstances, there will be a period in which transition is a matter of comment and observation. However, it is a positive thing. As one of the ministers involved in the direct relationship with COSLA on the concordat, I get the strong view from the other side of the table that it is positive for local government too and that, even where there are difficulties, we are much better equipped to deal with them.

The Deputy Convener: Although we need mutual respect, we need to be able to track how public money is spent. Given what you just said about the respect agenda, are there any further barriers to more effective scrutiny that could be removed?

Michael Russell: One of the really interesting questions is how much information is available and how much of it is published. If you were to do a Google search on the single outcome agreements annual monitoring statements, as I did this morning to make sure that it worked, you would find at the top of the list what I have in my hand: the Falkirk community planning partnership single outcome agreement monitoring statement from September 2009. There are 36 pages of local indicators, half a dozen per page, which is about 200 in total, brigaded under each of the national outcomes. It is a comprehensive report of what is taking place. To go beyond that to complete micromanagement is exactly what we were trying to get away from.

There is an unfortunate myth that, at some stage, there was such close control of every penny that was spent that local authorities were able to account for every penny to Government and were required to do so. That was never the case in Scotland. It is important to realise that we were not in some golden age before the concordat; it was a time when people were deeply dissatisfied with micromanagement. Local authorities said that that approach did not allow them to deliver in the best possible way. We have tried constructively to move to a situation in which outcomes are more easily and better delivered by local authorities for the resources provided. That is a process, not an event, if I may use that phrase, and that process is proving beneficial for public services.

The Deputy Convener: You touched on the cost of individual policies and said that, when the agreement is reached with local authorities, how those policies are funded is discussed. Who does that calculation—is it done jointly, do the local authorities tell you how much something will cost, or do you do the calculation?

Michael Russell: The overall settlement is calculated top down. David Henderson might want to say how that is done because the formula has not changed for some considerable time. I ask David Henderson to talk about that before I mention any individual policies.

10:15

David Henderson (Scottish Government Public Sector Reform Directorate): Ministers have a block of funding at their disposal in any year and they decide how that is divvied up between health, local government, enterprise and so on. They sit down with the COSLA leadership and decide what will be provided to local government and what, in round terms, local government will deliver for that block of funding. A COSLA spokesperson said last September that the deal that emerged was the best that local government could secure in the circumstances and welcomed it. Thereafter, there is a mechanism for allocating the total that has been agreed between ministers and COSLA to individual councils. That is done using a formula that has broadly been the same since the early 1980s.

Michael Russell: The issue was thought about when the concordat was being developed, and the concordat specifically refers to funding pressures and how those can be recognised and dealt with. A section in the concordat allows discussion among the partners about how those funding pressures should be met, so it is flexible in that regard.

Somebody is bound to mention to me, so I had better mention it first, the difficulties that occurred at the end of last year in respect of prioritisation of resource. I thought that that was an example of the concordat not at its worst but at its best—I was pleased to see that that is also Pat Watters's view. A genuine difficulty had arisen and we were able to negotiate, on the basis of changed circumstances and financial pressures, to ensure that councils could continue to make progress on what we regarded as key priorities. I thought that that showed a strength to the concordat and a maturity of approach that should typify how government works in Scotland.

The Deputy Convener: Local authorities often take the view that central Government does not appreciate the cost of delivery on the ground and sometimes has unrealistic expectations. How has the concordat been able to work through such issues? We always hear from local authorities that their settlement has increased by 2.4 per cent, or whatever the figure happens to be, but that they are expected to do so much more for the additional money that they have been given, and they often disagree with central Government on

what can be delivered for the amount of money in the settlement.

Michael Russell: For the first time, we have a framework to deal with that. I believe that the concordat should be a long-term relationship and agreement that will continue to build and develop. The Government needs to understand better the cost of delivery of certain policies and local authorities need to understand better what the Government is seeking and how we see the priorities in terms of the overall public service, and the concordat provides the opportunity for that to happen.

Some useful structures have developed within the concordat. I meet the education spokesperson and others in COSLA regularly. The Cabinet Secretary for Finance and Sustainable Growth and I meet the political leadership regularly and the overall leadership of COSLA has met the Cabinet on an annual or biannual basis—it is currently a biannual basis. There is very regular contact with officials, so we are building that relationship in a way that provides for delivery and for a better understanding of what you are talking about.

The clear cost of delivery of a range of policies needs to be understood by both sides. That understanding has improved greatly over the past three years.

Elizabeth Smith (Mid Scotland and Fife) (Con): When it comes to spending our taxpayers' money, one of the interesting points that came out when we visited councils was that, by and large, councils are very willing to co-operate with Government objectives but, in the current financial climate, and certainly given what you have said about allowing them to have a little bit of flexibility, they have conflicting priorities and are not able to do everything that they would like to be able to do—perhaps even some things that the Government would not like them to do but which they would like to have the flexibility to do. For example, in Clackmannanshire we saw some conflict between providing two hours per week of physical education and addressing some issues in the curriculum for excellence that put pressure on accommodation. What confidence can you bring to councils that central Government's fairly ambitious targets can be met in the way that you have described?

Michael Russell: I do not apologise for ambition—none of us should. However, you identify an important element in the relationship, which I have shown myself to be aware of in the past six months.

The issue that I referred to on class sizes—the relative priority between that policy and some of the other priorities that we have set—is a matter of realism. Unfortunately, when ministers address

things as a matter of realism, they tend to get attacked by their opponents for having failed to do other things. We are in difficult times and my job is to temper my natural ambition and enthusiasm with a strong dose of realism about what local authorities are going through and, indeed, about what Government is going through and will go through.

Over the period of the concordat, we have developed on each side an understanding of those realistic approaches and the interrelationship of priorities. That will lead to better governance in Scotland. I believe that the class sizes policy is the right one—I have no doubt about it—and others believe that too. The question is how we achieve it in a time of strong pressure on resources—much stronger than we anticipated in 2007—from the rapidly increasing costs of public-private partnerships plus the other pressures that exist and are still to come. We warned about the costs of PPP, but they are worse than we anticipated.

The discussion that I have to have, and do have, with the leadership of COSLA and then local authorities through the concordat must be realistic and must accept that position. In doing that, I sometimes make a rod for my own back in terms of the criticism that I then get from my political opponents, including you sometimes. However, there is a need for realism and practicality in the relationship with COSLA in such exceptional circumstances. I am optimistic enough to believe that, as we get through this unprecedented period of difficulty over time, the flip side might become apparent from time to time, which is that we might be able to do more than we had anticipated by sharing our priorities and working together.

Elizabeth Smith: Do you accept that there is an expectation among parents, never mind your political opponents for a minute? As a national Government, you set very substantial targets, whether on class sizes, teacher numbers or school meals. There is a huge expectation about them and, to be frank, it is not being fulfilled.

Michael Russell: I accept—

Elizabeth Smith: May I finish? What interests the committee is that, when we scrutinise what local authorities are doing, we discover that they find it almost impossible to make progress on some of those ambitious targets because of the strictures that they are under and because they do not physically have the resources to achieve what they have been asked to do. Does that not add greater pressure to the concordat and call into question whether it is the best mechanism for delivering what you set out in your opening statement?

Michael Russell: I would be interested if you could suggest to me a better mechanism. Perhaps

the combined wisdom of the committee can do so, but I think that the mechanism that we have developed is the best one. Of course parents have expectations and I am glad about that. I am also glad that, in my regular contact with parents—I noticed yesterday that even that regular contact is subject to criticism from my opponents—I do not find disappointment. I find two things: pleasure that we have worked so hard on education and continue to do so; and realism about the situation in which we find ourselves.

I will go on being ambitious for Scottish education and trying to ensure that the things in it that I think need to change do change. It would be easier to do that if we recognised what features make an education system successful in international terms. I say repeatedly and do not resile from saying again that the first is the highest quality of teaching and the second is a national consensus about what education is for. We are working on the first; I regret that we have not achieved the second and would like to achieve it.

Elizabeth Smith: I will tease out the philosophical approach. You mentioned, quite correctly, that you do not want to constrain local authorities any more than you must and that one part of your thinking is to allow them to have a bit more flexibility. Would it be preferable to allow that flexibility to go its full extent, whereby individual local authorities set their priorities and made the decisions about what educational approaches were best suited to the needs in their individual schools, rather than having centralised and strongly committed central Government policies that have not been adhered to?

It is a bit disingenuous to say that parents are generally satisfied. I do not think that they are. You made a firm commitment to deliver certain things, but the local government mechanism for doing that is not the appropriate one. I would question that, because I have a different view on the concordat as you know. Am I right?

Michael Russell: No, you are not right, with respect. Judging from my experience, I think that you are not right about the views of parents. Clearly, we meet different sets of parents, and that might continue to be the case. Broadly, Scottish education is highly regarded and, although there has never been universal approbation for the Government's work, I think that people realise how committed we are and how hard we have worked.

In Scottish education, there is and always has been a balance between national policy and local delivery. We have a local delivery model, through local authorities. It is a distributed model—a degree of authority and autonomy has been distributed through the system. I agree with you that it is correct to examine the system from time to time, and we might go on to discuss ways in

which the balance could change, but to have a totally Balkanised system, where decisions and priorities are set only at a local level, would not lead to any degree of national consistency. I find that parents wish a degree of national consistency with local delivery.

That issue is raised with me on many occasions, particularly in the context of the curriculum for excellence. People want to know that, despite the freedom in curricular delivery and in the type of subjects that are delivered, a child who moves from a school in region A to a school in region B will experience some consistency in what they are learning and in how they progress through the system.

The balance that exists suits Scotland, on reflection, although we need constantly to re-examine it. The Government's creation of a mechanism involving partnership with local authorities represents the best way to take that approach forward, and it is bearing fruit.

Alasdair Allan (Western Isles) (SNP): You view a move away from micromanagement as important. Do you have any sanctions against local authorities that do not meet the national objectives that you have been speaking about? I note that COSLA says that it is happy that there are none. Are you happy about that?

Michael Russell: It would be hard to find a single occasion within living memory in Scotland—people may go and try—on which money that had been provided to any local authority to deliver anything was taken back by central Government because the authority did not deliver. There is a myth that goes around that, in a previous time, all these things were perfectly managed, with an absolutely deterministic view of what was delivered and paid for—if something was not delivered, people were not paid. That never happened, in fact. Sanctions have never existed in that way.

I am a strong believer in carrots rather than sticks. You and I have worked together over the years, Dr Allan, and you know that to be true. It is best to encourage local authorities to deliver in the best way that they possibly can and to have robust discussion about it. I would not invite you into some of the discussions about what is taking place, but they can be very robust, and rightly so. However, the voters and parents of Scotland will expect the various parts of the delivery model to work constructively together, with people spending their time not threatening or sanctioning each other but trying to get things right. That is what we do.

Should the concordat develop into a system that involves further sanctions? I do not think so. There is one issue at present in what is otherwise a very

positive relationship. There is a single authority—I do not wish to name it, as that would be invidious—that has taken advantage of the flexibility that we put in place for class sizes but has not delivered on class sizes. I regret that, and I am working with a number of people to try to ensure that that changes. I will continue to do that. That is one authority out of 32—which is interesting.

Alasdair Allan: I will not try to guess which one it is.

Do you feel that the public has yet come to understand the new dispensation between local and national Government? Are there still expectations that you, as minister, will be able to encourage local authorities more than the system that you have set up allows?

Michael Russell: There is a growing understanding of the model. The most positive thing is the commitment to it across the political spectrum, particularly in local government. The meetings that take place with the group leaders involve the political group leaders—Scottish National Party, Labour, Conservative, Liberal and independent. They are constructive meetings, in which we examine and debate the issues, and they are immensely positive. They are conducted under the auspices of the president of COSLA, and there are COSLA officials present.

The prospect that that offers for continuing to build on the model is great. There is a growing understanding at a local level, through community planning partnerships and the agencies that are involved with them, of how important it is, and that will continue to spread out. It is heartening to see parliamentarians in other parties supporting the model, and I am happy to quote some of them as appropriate.

10:30

Alasdair Allan: I am possibly asking you to look into a crystal ball, but how do you see the relationship developing in future?

Michael Russell: A great deal will depend on what happens in the Scottish Parliament election next year. We can build on the positive and successful way forward that we have taken, which has led not only to an end to the year-on-year exponential increase in council tax that the people of Scotland were suffering—nobody should devalue that achievement—but to a much better understanding of how local and central government can work and a more positive delivery at the sharp end.

We can either go ahead and build on that, which a mature Government would do, or abandon it and go back to what things were like before. One

problem that we have in Scotland is that we sometimes lack a long-term memory, but if you go and search the cuttings library, you will discover how bad the relationship was and how it was not performing for the people of Scotland. The Government should be commended for what it has delivered, along with Scottish local government, because it is a true partnership.

Ken Macintosh (Eastwood) (Lab): One of the difficulties that we have had as a committee—it dates back, if I may say so, to your time on the committee, cabinet secretary—is the lack of transparency in local government finance and particularly in Government accountability for its spending. For example, the Government has a commitment to maintain teacher numbers, but it is clear that that has not been fulfilled, and teacher numbers have fallen over successive years.

How do you expect the committee to hold the Government—and you—accountable for your commitment and your budget when we cannot track the figures that are being spent on teacher numbers, while the numbers are falling? How do you track the figures?

Michael Russell: I have not found you to be blate—to use a good Scots word—in raising that issue and using statistics that the Government publishes. I have not seen any evidence that you are short of information on the issue. The Government has published more information about its finances than any previous Government has done, and it continues to publish very detailed information and statistics.

You have undertaken your democratic role on the committee by examining in great detail those figures that have been—and remain—available from local and national Government. I reject your thesis, as a substantial amount of material has been published.

We can easily debate the facts of the decline in teacher numbers and discuss why that has taken place. To demand micromanagement of the figures would be counterproductive in every single way, and would not help the delivery at the sharp end.

Ken Macintosh: The key thing is that the Government's promise to maintain teacher numbers has not been delivered. Our job as a committee is to hold the Government accountable for its promises. Maintaining teacher numbers also appears in the concordat, so it is both a Government promise and—in theory—a promise of local government too, and yet it is still not being observed. As the cabinet secretary, you must surely be frustrated by that situation.

Michael Russell: The concordat allows for that, as it states:

"It is clearly impossible to anticipate all the pressures at the start of the process. In such cases, both sides agree that any difficulties will be addressed jointly between the Scottish Government and local government, as part of a developing mature relationship."

There are a number of reasons why teacher numbers have fallen. One is undoubtedly the unprecedented financial pressures on local authorities; we can go through, line by line, the reasons for that. Another reason—which is controversial, Mr Macintosh, and I do not expect you to agree with it—is that we could look back and say with hindsight that the number of teachers was in fact artificially increased over a period of time, and that the number was unsustainable.

We are now looking at everything through a prism of extraordinary financial pressures and that is the prism through which any decisions should be judged. I do not expect Mr Macintosh to judge them in that way because I understand the political rhetoric and the political dimension. However, from where I am sitting, I have to look at what is real and what is actually happening in Scotland.

Ken Macintosh: Clearly there is also a political dimension, but the reason why the committee is holding this inquiry is to address straightforwardly a long-standing frustration about ensuring that money that is allocated by the Scottish Government, approved by the Parliament and scrutinised by this committee as part of the budget process is spent on the policies for which it was intended.

Not only have we voted every year for a budget that is supposed to maintain teacher numbers, but additional resources have been added. I think that Fiona Hyslop added extra millions when it became clear in the first year that teacher numbers were declining and yet they continue to decline. How do you account for that?

Michael Russell: I am listening carefully to what you say and trying to offer an explanation. I have found, throughout my political career, that trying to offer you an explanation has never satisfied you, so I do not expect to do so today, but I think that I am fully accountable. You continue to criticise the Government on teacher numbers and I continue to make it clear that understandable financial pressures on local government have led to the current situation. The decision by various parts of local government to reduce teacher numbers in their area has been across the political spectrum—no one party has made that decision. As I said, the rising numbers of teachers under earlier Administrations was probably unsustainable.

I have to ensure that that decline is carefully looked at and that I have strong dialogue with each local authority about the reasons for it, under the auspices of the concordat. I am aware of the

pressures, but I am keen that the number of teachers is not reduced in the way that it is being reduced. I have no power, however, to prevent local authorities from doing that. None of my predecessors had those powers either.

There will always be issues on which local government and national Government do not agree. That is probably due to the nature of our democratic structures. It would be legitimate for any political party to propose the abolition of local government, for example, or to find other ways of funding it. We have reached in the concordat the best solution for our times. That is not just my opinion but, as has been indicated, the opinion of local government in Scotland.

Ken Macintosh: In your opening statement you boasted, if I may say so, that you had provided money for 100 extra teachers for the implementation of curriculum for excellence. That is money provided by the Executive. What is the difference between that money, which you suggest has been used to employ 100 additional teachers, and the money found by your predecessor, Fiona Hyslop, who did not employ any extra teachers but supervised the decline in their numbers?

Michael Russell: I do not accept your assertion, but there are limited special circumstances, which I illustrated, in which direct funding can take place. I also said, for the sake of completeness and the record, that that amounts to less than 5 per cent of local authority education funding. Those moneys are only for special circumstances. I give you another example: I have been able to find £3 million for other curriculum for excellence activity, which was accepted grudgingly as positive by others. I expect that money to be used directly for those purposes, but those are limited circumstances for special projects that are undertaken with the full agreement of our partners in the concordat. Those are small exceptions agreed for particular purposes.

Ken Macintosh: To clarify, the money for 100 teachers for curriculum for excellence was ring fenced.

Michael Russell: There are no ring-fenced moneys; the moneys are agreed for certain purposes.

Ken Macintosh: As you can appreciate, it is difficult for the committee to determine the difference between a Government promise to employ and maintain extra teachers and its special purpose of 100 extra teachers for curriculum for excellence. When you announce such moneys, they are not labelled in that sense. Do we accept your policy announcements or not?

Michael Russell: I do not find it difficult to understand that difference at all. I am sorry that I cannot help you further. I have made a clear

distinction that is understood by the Government, by COSLA, by the education unions and by teachers. I cannot help you any more, I am afraid.

Ken Macintosh: For the benefit of the committee, which is trying to understand the budget process further, can you tell us how the extra money for 100 teachers to help with the curriculum for excellence has been put into practice? The money that was promised by Fiona Hyslop was not put into practice. How did you manage it?

Michael Russell: All that I can tell you is that, as a special project that was agreed with the partners, the money was provided for a purpose and was spent on that purpose. That is entirely clear and is the most help that I can give you on it.

Ken Macintosh: The difficulty is that we accepted Fiona Hyslop's assurance, too. The money must be approved by the Parliament—and we do approve the moneys and the employment of extra teachers. You suggest that the technique that you used was successful, but it was not flagged up as being any different. You say that the money was not ring fenced, but agreed under a special purpose vehicle of some sort.

Michael Russell: It was agreed with the partners as part of the implementation of the curriculum for excellence. I think that I am being as clear as I can be about that.

Ken Macintosh: In that case, the next time that there is an announcement of money by you or your colleagues, should we check whether it has been agreed with your partners under a special purpose?

Michael Russell: I am always open to questioning from you or anybody else about the way in which I deliver any of the policies.

Ken Macintosh: I have a slightly separate question. The reason for our inquiry is that we have an on-going difficulty in working out how the Government is accountable for the funding announcements that it makes, but we are also trying to work out how efficiently that money is spent. There is a big variation in that throughout Scotland and different criteria are used. I would welcome your views on how the Government compares education spend in one authority with education spend in another.

I will give you an example. During our fairly informal visits to local authorities, we were told that we might find a sizeable difference between the spend on a secondary school in East Dunbartonshire and the spend on a secondary school in Dundee. Is the Government aware of the radical variation that exists in spending? I am talking about £3 million being spent on one school and £6 million being spent on another.

Michael Russell: Part of the useful progress that the Government has made through the Scottish Futures Trust process has been to ensure greater clarity in that matter and to ensure that discussion between the Scottish Futures Trust and individual local authorities is based on the most cost-effective use of resources. We know that that was not the case under the PPP and PFI projects and that the individual variability was considerable, as we see from the massively burgeoning costs. That process of capital spend is under much better control than it has ever been.

There will be variation in the cost of the delivery of education in various parts of the country—that is inevitable, as education is delivered in different ways by local authorities. We accept that that is the model that we have in Scotland. There are also differences in demography and geography. Local authorities are not able to deliver education in the same way and at the same cost in Argyll and Bute as in central Edinburgh, for example—that is simply not possible. Some of the constituencies that are represented around the table face very different challenges in the delivery of education.

Broadly, we expect local authorities to be on top of the issue and to be fully efficient and effective. Indeed, there are a range of processes—which I am sure that David Henderson will be able to talk about—that we consider and supervise to ensure that local authorities are fully efficient and effective. Indeed, the better government procedures have been effective in that regard. We have a number of checks and balances in the system to ensure that councils are delivering well. Of course, we look at the overall spend on education in local authorities. However, in a partnership we encourage people to do better and better, and that is precisely what we are doing.

Ken Macintosh: What systems do you have in place to monitor whether local authorities are spending money on the Government's priorities and whether there is huge variation between local authorities? For instance, how would you pick up the fact that one school had an annual budget of £3 million whereas a comparable school somewhere else had a budget of double that? How would you then work out which was producing the better outcomes?

10:45

Michael Russell: I would not be, and neither would any Government, including our predecessors, involved in micromanaging the budget of each individual school. Indeed, there are those who argue strongly that we should be even less interventionist in the budgets of individual schools and rely on them to deliver well. I ask David Henderson to say something about how we

monitor local authority efficiency and effectiveness. That seems to be at the heart of the process.

David Henderson: What we do not fund and what the Parliament does not approve is a line-by-line breakdown of the money that goes to local government. The Parliament approves several blocks—total revenue, general revenue grant, general capital grant and some specific grants. Within the general revenue grant is money for education and teachers, but the Parliament does not approve that separately—it approves the total.

The funding for different schools will vary for different reasons. There may be different numbers of pupils with learning support needs, different numbers of pupils with special needs or teachers who are at the top of the salary scale in one school but not in another. In addition, the maintenance budgets could be different because of the state of the schools. You would need to know quite a lot about those things.

Councils monitor efficiency. There is an efficient government programme in which local authorities are delivering well above their targets, and they are continuing to bear down on that. There are also different programmes across the piece, and councils themselves publish quite a lot of information. It is something of which they are conscious. They are looking at benchmarking among themselves, with help from the Improvement Service. All of that is going on all the time, and a lot of that information is made public.

Ken Macintosh: And in terms of—

The Deputy Convener: I must ask you to make this your last question, Mr Macintosh.

Ken Macintosh: Certainly. We heard last week that the average percentage of their budgets that local authorities spend on the concordat agreements—the specific agreements with the Government—is quite small. Is there not an argument for asking local authorities to report back on or monitor the amount of money that they spend on those specific agreements?

Michael Russell: The concordat quite clearly deals with the question of monitoring. I will quote the concordat, as it is important to understand what has been agreed. It states:

“Under the new arrangements proposed, each local authority will be required to submit a single report around the turn of the financial year on the year just finished ... setting out progress and achievements towards the national outcomes and the commitments as set out. With the exception of the requirements associated with statutory requirements, any agreed transitional arrangements in moving to an outcomes based approach, ongoing statistical returns and formal inspections, local authorities will not be asked to submit any other monitoring returns or plans to the Scottish Government without prior agreement.”

We have a system that was agreed between partners, which both partners felt would adequately get a return in terms of the achievements of local government and the achievement of the objectives. I recommend that members read the planning partnerships outcome agreements and the monitoring information from those. It is not—as has been alleged from time to time—a system without publication and scrutiny; it is a system of considerable publication and scrutiny.

Alasdair Allan: I want to pick up on a point that Mr Macintosh made about the reduction in the number of teachers. The employers are local authorities and you said that the reductions applied across the board. Coyly, you did not pick out any individual councils, but am I right in thinking that one council in particular accounts for rather a lot of the reductions?

Michael Russell: Indeed, Glasgow City Council accounts for quite a number, but other councils have been involved in that, too. I do not want to pillory any individual council. In the context of very difficult financial circumstances, all councils have made decisions on teacher numbers for which they are accountable. Some have done better than others. Some have recognised the importance of making those decisions in a way that has been productive and some—I am trying to be constructive—have been not quite as helpful. However, to recognise the reality of the situation is to begin to move the issue forward. Simply to criticise the Government for not achieving something to which it aspired without taking into account the day-to-day responsibility of employment is to play politics.

Margaret Smith (Edinburgh West) (LD): I am trying to be helpful, as ever, but I am a little confused. You mentioned political rhetoric. During the 2007 election campaign we heard political rhetoric not just from your party but from the rest of us, but your party formed the Government and it is fair to say that there has been disappointment about the disconnect between your political rhetoric on class sizes and teacher numbers, for example, and delivery. There were no caveats in the political rhetoric.

You say that you have moved away from ring fencing. However, you said to Ken Macintosh that if a specific policy or special project has been agreed with partners, the money that is given is spent on that specific purpose. If that is not ring fencing, what is your definition of ring fencing?

Michael Russell: Thank you for being helpful. The clarity that the concordat provides about ring fencing is helpful. Attached to the original version of the concordat—I think that copies are available—was a list of Government grants and schemes that would be rolled up in the settlement.

I do not know how many such schemes there were—David Henderson can probably help us—but I know that a vast range of funds, budget lines and special schemes was rolled up in the overall settlement.

An example from one of my previous portfolios, which is useful although it is not without controversy, is the money that was allocated for flood prevention schemes. The money was not just thrown into the pot for councils to do with as they willed; there was a clear understanding among local authorities of how it should be divided. However, the money was no longer ring fenced; it was just part of the budget that was provided. The approach has continued; further sums have been added over the years. I remember that there was an issue to do with Scottish Natural Heritage funding for the core paths network, which was not included in the first year but was added later.

I am also trying to be helpful—I hope that that is understood, so that we can be mutually helpful. From time to time, as with the curriculum for excellence, there will be a need to do something extra, which will involve a very small part of the overall total. I hear such demands from Opposition spokespeople almost every day. It is entirely legitimate to say, “This is the extra thing that we are going to do.” We agree the approach with COSLA. Indeed, sometimes COSLA comes to us and says, “We need this so that we can do that.” The extra £3 million for assessment and monitoring is a good example. A formula was agreed with COSLA about how that should be delivered—I think that that has been virtually done.

It is clear to me that the vast majority of funding that goes to local authorities is not ring fenced and that it is for authorities to decide how to use the money. Remember that ring fencing is very much an input measure. The output measure is defined by statute. Local authorities have a legal obligation to do certain things. People sometimes imply that local authorities can draw in a vast amount of money and then do nothing other than put it in a bank account. Local authorities have a statutory duty to deliver education and they will do so; if they did not do so they would be subject to legal action. It is clear that delivery takes place. Sometimes there are discussions about special purposes, and such flexibility is useful.

Colin Reeves has helpfully just told me that 14 specific grants in education and lifelong learning were rolled up in the settlement in 2008-09.

I have a clear memory of going to schools in the first session of the Parliament—Mr Macintosh and I were both members of the Education, Culture and Sport Committee at one stage in the first session—and constantly hearing complaints about the effect of ring fencing, not just in local

government but further down, in schools. Moneys were protected in a certain way, and the approach was inflexible. I honestly do not think that that was the best use of money and I think that councils agree with us on that.

Margaret Smith: I am still a bit unclear—

The Deputy Convener: I will let you in later, but we are still taking questions that are supplementary to Mr Macintosh's line of questioning.

I will take a third, and final, supplementary question on this point from Des McNulty, who I welcome to the committee. However, I should say to Mr McNulty that we do not have tea and scone breaks during evidence sessions. It is somewhat discourteous to members of the committee and distracting to witnesses.

Des McNulty (Clydebank and Milngavie) (Lab): I apologise for that, convener. I was not aware of the committee's protocols.

Like Margaret Smith, I have some difficulty in understanding the difference in definition between ring fencing and money agreed for special purposes and spent on that purpose. Mr Russell has had two goes at explaining it, so it might be useful if he were to call on his experienced officials to clarify the issue. What is the practical difference between a ring-fencing arrangement in education and money that has been agreed for special purposes? My understanding of what the cabinet secretary is saying is that the difference is that ring fencing was generalised, whereas money agreed for special purposes and spent on those purposes is less generalised. There is no practical difference in the mechanism. I would welcome some clarification.

Michael Russell: I have been as clear as I can. If I may say so, Mr McNulty, you are never done asking me to spend money on special things. When that money requires to be spent, and we have it available—and as a result of the pressures on us, it will not be available—we are able to do so by agreement with the councils. The councils understand the situation, I understand it, and the public understands it. Indeed, the public would find it very strange if that were not the situation. The public also understands that the absence of ring fencing, which local authorities requested for many years and did not get from previous Administrations, means that local authorities are given an overall settlement and they are free to deliver according to their priorities.

I welcome the support for that absence that has been received from a range of people. I led a panel session at the COSLA conference in March 2009 and I welcomed Iain Gray's unequivocal statement that ring fencing is not the answer. I entirely agree with him on that, and I am also glad

that he indicated that Labour shares the aims of the concordat. That is a positive step forward and I hope that it will continue to be the case.

The Deputy Convener: I will let you in again later, Mr McNulty, but I want to get back on track. I pass over to a patient Christina McKelvie.

Christina McKelvie (Central Scotland) (SNP): One of the things that we heard across the local authorities that we visited was that they would prefer there to be much more flexibility with regard to the national outcomes. Are the national outcomes too broad? Do they constrain local authorities enough to deliver? What is being done to encourage local authorities to be a bit more proactive in achieving some of the national outcomes?

Michael Russell: It is important to realise that we are working through a process and not an event, as I keep saying. The relationship is developing, as is the progress that we are making with national and local outcomes.

National outcomes are, in essence, goals. They are not intended to be detailed instructions about how local partners should pursue local options; they are a framework. They have to be broad enough to allow community planning partnerships to set out their strategic approach.

We have a close relationship with each of the community planning partnerships, which is managed by one of our senior officials. Senior officials spend part of their time working on those relationships and helping to develop the system. This is the first time that such strategic information has been available and it will take time to develop, but the national outcomes bring together the key things that we want to achieve and they do so in partnership, which is very useful.

Colin Reeves will say a word or two about the way in which he works with local government on national outcomes, because it is illuminating to see how they have developed.

11:00

Colin Reeves (Scottish Government Learning Directorate): Each local authority has a director in the Scottish Government assigned to it. I think that the directors take two authorities each. There is a small team in the Government that is drawn widely from across it. There is regular engagement in all the community planning processes, particularly on how the single outcome agreements are moved forward, and on the preparation of the monitoring reports to which the cabinet secretary has referred. The process allows, at a level below the ministerial level, detailed engagement around the national outcomes, the local outcomes that are set out in

the SOAs and the 36 pages of local indicators that have been agreed and published. The reports that are submitted annually to the Government on the 15 national outcomes are summarised and published by it.

Members may be familiar with the progress report on the single outcome agreements that the Government produced. The overview commentary was published in February. The aim was to draw together, under a series of headings for each of the national outcomes, information from the very detailed material in the individual 32 monitoring statements and to illustrate the progress that had been made towards the national outcomes. There is also, of course, the Scotland performs monitoring system, which summarises 32 local sets of indicators, and the much higher-level Scotland performs website and indicators, which are updated regularly, as necessary. They signal the direction of travel for the 15 national outcomes.

Christina McKelvie: That is helpful. Can you give us examples of specific Government policies that relate to national outcomes? How are they being developed? The purpose of the inquiry was to focus on some of them, but perhaps the inquiry has been a bit broader than that. Perhaps that is a symptom of the various things that we have come across in our travels throughout Scotland.

Michael Russell: Let us start with the strategic objective, as the strategic objectives sit at the core of things. All committee members will immediately recognise what I am talking about if I read out one of the strategic objectives:

“Our young people are successful learners, confident individuals, effective contributors and responsible citizens.”

That encapsulates the four capacities for the curriculum for excellence. They are at the very heart of what we are trying to achieve, and there are national outcomes to support that. The learning experience of children and young people, literacy and numeracy, and health and wellbeing national outcomes are part of them. We could see the process as a pyramid with everything building up.

We need to keep focusing on the progress that we are making. We are making good progress in some areas, but not enough in others. The process allows us to judge that. We have been open. We have put in view what we are trying to do, what we are doing and what progress we are making in the concordat and single outcome agreement process. We are in very difficult times and circumstances, but we are still making progress in a significant number of areas.

How the national outcomes affect every ministerial portfolio is interesting. In each of the three Government jobs that I have held, I have been able to look at the national outcomes—there

are more in some areas than in others—and say that I know that we are making progress on something or that there is something that I am paying attention to. The situation is developing, and we will continue to develop it.

Christina McKelvie: I am glad that you mentioned the curriculum for excellence, as it is on my list of specific things. During our travels in local authority areas, we went to wonderful schools that were delivering the curriculum for excellence and in which we were told, “Please don’t halt this.” We were told in other schools that were perhaps struggling a bit that they did not have any extra money for resources, but they were doing this and that. There is real willingness out there to participate and achieve the best possible outcomes for children.

Last night, I attended an awards ceremony at Calderside academy in Blantyre. The retiring headteacher assured parents that that academy is ready for the curriculum for excellence. We have all seen a lot of that, but there are also concerns out there. The trade unions have aired concerns; I know that conversations are going on about that.

Michael Russell: You have raised an important point, which is central to the national outcomes. We must remember that the curriculum for excellence is at the heart of our objectives.

Yesterday, on a visit to St Modan’s high school in Stirling, I was struck by the comments of the headteacher, who said:

“With the School Act of 1695, Scotland was the first country in the world to come up with the concept of a national education system. With the implementation of Curriculum for Excellence in 2010”—

of course, it is the further implementation of the curriculum—

“we embark on perhaps our most ambitious aim since then. It provides the best opportunity in a generation for teachers to be free to use their creative powers and passion for learning to motivate and inspire young people. The new S1 could become the best educated year group in Scottish education’s long and distinguished tradition.”

That is a fantastic endorsement of what is taking place and how we are moving this forward. We all have a role to play in getting behind that and in living up to not what I want and not what the teaching union wants, but what a headteacher in an achieving school wants.

Christina McKelvie: Last week, during our visit to Alloa academy, we saw many positive and worthwhile examples of that including how, as a result of getting it right for every child, child protection issues had been reflected in the physical school building; the continuous professional development that teachers were getting through co-operative teaching; and the additional support for learning services. However,

some parents and, indeed, teachers have expressed to me their worries that if we keep talking down the Scottish education system we do a disservice to the pupils, parents and especially the teachers who do such a good job.

In light of the wonderful quotation that you mentioned, can you give us some insight into the barriers to developing that positive approach to education? I know that you have answered a parliamentary question on this matter but my consistent concern is local authorities' PFI/PPP liability, which has led to something like £244 million being top-sliced off budgets—

The Deputy Convener: Christina, can we have a question, please?

Christina McKelvie: What work has been done on the impact of those rising costs on the delivery of a fine education system?

Michael Russell: It is a very considerable worry. There were warnings that a price would have to be paid—indeed, I was one of those Cassandras in the first parliamentary session—but unfortunately they were not heeded. That cost, which is rising every year, is a real pressure on education budgets that needs to be recognised. I am happy to provide full details of those figures to any committee member who wishes to see them.

On the other hand, let us be positive. I am trying to be as positive as I can about Scottish education because, as you say, a lot of good things are happening. More often than not, I am in schools talking to teachers and others. At the heart of what we are trying to achieve with our performance framework and our relationship with COSLA is a means of ensuring that, as one of our strategic objectives puts it,

“Our young people are successful learners, confident individuals, effective contributors and responsible citizens”.

Another of our strategic objectives is to be

“better educated, more skilled and more successful, renowned for our research and innovation”.

I believe that we have the framework for achieving that, even in difficult times, at local level through the local delivery of education by local authorities working with us. That is not to say that the system cannot change or improve but, as David Henderson pointed out, it contains checks and balances to ensure that money is used effectively and I think that it is working.

Margaret Smith: I want to pick up on a comment that you have just made. You said that you need to keep monitoring progress—we all agree with that—and that you are making progress on some national outcomes but not on others. Can you give us a couple of examples in which you feel that progress is being made and in which you have some concerns?

Michael Russell: I do not have to do that, because that information can be found on the Scotland performs website. That is what the Virginia performance model does.

Margaret Smith: Given that you have quoted from other websites, can you give us some indication of where you feel you are in relation to various outcomes?

Michael Russell: I will be delighted to be as helpful as I can. I will list the national indicators for education and tell you precisely what our performance is. As I have said, the information is on the website but we can also send it to you.

The percentage of Scottish-domiciled graduates from Scottish higher education institutions in positive destinations is static. In other words, it is neither falling or rising. The website says that information is still awaited on the indicator on improving knowledge transfer from research activities in universities—this is a developing process. The proportion of school leavers from Scottish publicly funded schools in positive and sustained destinations—further education, higher education, employment or training—is going down. We recognise that that is happening during the recession, and we are doing a range of things to tackle it. Indeed, a statement will be made in the Parliament tomorrow on some of the things that we are doing.

Information is still required on the indicator relating to positive inspection reports. The number of working-age people with severe literacy and numeracy problems is getting better, which is important. The percentage of schoolchildren in primary 1 who have no signs of dental disease is getting better, as is the obesity indicator. Data is still awaited for the number of pre-school centres receiving positive inspection reports. The proportion of individuals living in poverty is static. All that information is on the Scotland performs website.

In the single outcome agreements, we have strategic objectives, national indicators and then a process that looks at the local achievements and progress that is made. That is an open and transparent system, which is what we are trying to achieve and ensure.

Margaret Smith: Do you believe that the single outcome agreement progress reports, which are intended to enable scrutiny of whether adequate resources have been provided to particular policy areas, are fit for purpose, given that Audit Scotland has said that there is a need for clearer links between single outcome agreement priorities and partners' individual service plans and budgets, and also given that the progress reports do not report specifically on concordat policy commitments?

Michael Russell: This is a developing way of working—I keep stressing that—and I accept that changes will be needed and will come forward.

We must remember that the Scottish Government is answerable for the collective contribution that our public services make towards national priorities. We have a purpose and a national outcome. We are responsible for that, and we have to say that we are responsible. The Scotland performs website allows everyone in Scotland to know what progress is collectively being made towards the national priorities, so I think that there is an open and transparent system.

If you are asking me whether the system is perfect, the answer is, “Of course not”. We can continue to improve the system, and a positive set of recommendations from this inquiry—which I am sure that the committee will want to bring—could help in that process.

Margaret Smith: Do you think that there is scope for further standardisation in content or structure for the SOAs? Your overview commentary in February indicated that there is no standardisation and that, in effect, it is up to local authorities to say what they want to say. Considering accountability, scrutiny and enabling people to see what is actually happening in progress towards the delivery of certain policies or through more of an overview, can you change the way in which the information is set out?

Michael Russell: Some single outcome agreements are presented better than others—that is inevitable, given the system—but the general standard of presentation and reporting is high and can continue to rise. I do not think that there will ever be an absolute standardisation, because different things are happening in different ways. That reflects the fact that we have 32 local authorities and a range of planning partnerships. However, I would not reject in any way the view that we can continue to improve the process. In fact, I believe that that is what we are trying to do—Colin Reeves may want to say how that is working and talk about the work that we are doing on the single outcome agreements year to year.

Colin Reeves: There is a degree of flexibility in the structure of single outcome agreements and how they are set out. As the cabinet secretary said, that is appropriate. There are templates for aspects of the way in which they are presented but, as the actual direction in which single outcome agreements are pointing locally is different for the 32 authorities, it is important within a standard structure to allow for significant variation so that components that require a particular focus in one area but not necessarily in another can be highlighted in one but not the other.

There does not seem to be much push from either local authorities or the other community planning partners increasingly to standardise the position in the 32 councils. There is much more of a focus on the actual meat of what they are articulating, the direction in which they are pointing, and the analysis and monitoring of progress.

When we look at the 36 pages, we see that for perhaps 15 of the national outcomes, two dozen local indicators have been chosen by the partnership. We start with the 2006-07 baseline, then we see the annual progress in 2007-08 and 2008-09. Beyond that, we see the progress targets for 2010-11. We see a moving picture for more than 200 local indicators that are brigaded within the national outcomes. The critical point is that those 200 local indicators have been chosen by the community planning partnership as the most appropriate ways in which to focus on its priorities.

11:15

Michael Russell: I certainly commend looking at some of the monitoring reports, because they are quite fascinating. They include real detail on how local services and national policies are being delivered and the way in which that is improving or not improving, as the case may be. If you look at them closely, you will recognise that, as I said earlier, far from being a system that is not reported on, it is reported on in extraordinary detail.

Elizabeth Smith: How do you see devolved school management progressing?

Michael Russell: As you know, I am an enthusiast for devolved school management. There are a number of good reasons for encouraging autonomy in schools. One of them is to do with leadership in schools. It is clear from the survey information that attracting, retaining and building on the skills of good headteachers is easier if they feel that they have autonomy in the work that they do.

I do not think that absolute autonomy can ever be found in the system and model that we have. There are means by which we could create that, and I know that it is being considered south of the border, but it is unlikely that Scottish communities will wish to have that. I have no evidence that Scottish communities have a burning desire to take over and run their schools as totally autonomous units. However, it is necessary and desirable to encourage schools to have the maximum possible degree of autonomy and to be open to ideas about how local authorities meet their statutory duties. I have encouraged that, as you know.

I use the words “necessary” and “desirable” advisedly. It is desirable because there is a pull—

there are issues of overall achievement in Scottish education that need attention. We should be honest about that and ensure that we focus on those issues, and some of that work will be helped if schools are operated more flexibly and autonomously. There is also a push, and that is the real financial difficulties that exist, which will get worse. The pull and the push should encourage us to new thinking—and some urgent new thinking, because the timescale is pretty pressing. I have been encouraging local authorities to look radically at what they are doing and to come forward with suggestions.

I have been doing that through local authorities because we must recognise the reality of the situation that we are in. Local authorities are the delivery mechanism in Scotland. It would be difficult to make radical changes quickly, but if local authorities can see the benefits of change, they are likely to be more effective agents of change. I am absolutely open to that. The well-known East Lothian discussions, which are not a model but are continuing discussions, are being paralleled by other local authorities thinking thoughts. I am having those discussions, I am open to them, and I hope that the Parliament will encourage that to happen in order to encourage both better educational performance and more efficient and effective use of resources.

Elizabeth Smith: On that point, the Scottish Government's survey of headteachers was revealing because it showed that they want a little bit more autonomy. One of the interesting things that you have highlighted is that, although local authorities might look at the issue from the financial angle, many of the headteachers who responded to your survey look at it from an educational perspective. Will you confirm that the Government is interested in the idea that such changes could be beneficial from an educational perspective?

Michael Russell: That brings us back to the pull and the push. The pull is educational performance. I do not know what all the models look like, but the approach might deliver better educational performance. There is also the push, which is the need to be more cost effective in delivery—there is no doubt about that. There are interesting ideas around. I am encouraged by how the debate is progressing; one of my jobs is to make it move even faster, given the circumstances in which we find ourselves.

Elizabeth Smith: If it will deliver better education, more autonomy for headteachers is very much an idea that we should pursue.

Michael Russell: Absolutely.

Des McNulty: In the 2007 report of the Organisation for Economic Co-operation and

Development, "Quality and Equity of Schooling in Scotland", many positive comments were made about Scottish education. However, the authors also highlighted underachievement among the bottom 20 per cent of pupils and significant regional variations in attainment. How have the findings fed into the financial model for the distribution of resources between local authorities and schools? How are you addressing the issue at national level, as a priority?

Michael Russell: The question of disparities in Scotland, in relation to geography, demography and poverty, is and always has been part of the overall model. The approach is subject to consideration and adjustment and is by no means static. The OECD report is one of many considerations that are taken into account.

As you are aware, the curriculum for excellence is designed to address issues to do with achievement and how we can give the best to and get the best from every child. That relates to the national outcomes. Over and above that is the issue of literacy and numeracy, which are central to what we are trying to achieve in Scotland. There are debates about the figures that a variety of bodies have produced, but I am ever-more focused on ensuring that we address the issues and that the curriculum for excellence does that properly. That is why I changed the proposals in the curriculum for excellence, to focus them more closely on getting the results that we need.

All reports are positive and helpful and feed into the overall distribution formulae that are applied. We are also addressing specific things through the curriculum for excellence. Of course, I have a statutory duty of continuous improvement, which I take seriously.

Des McNulty: I was asking specifically how the model has shifted to take account of the key finding in the OECD report. Is more money going to areas where there is a pattern of lower attainment or a significantly higher proportion of pupils in the bottom 20 per cent category? Are you bending the money? Can you tell me how it has been redistributed in that direction?

Michael Russell: No. What I can tell you is that that is one factor that is used in the calculation of the division of the resources in the total cake. The formula has been developed over many years. It takes account of such issues and it is regularly reviewed in the light of information that is available.

On your specific question, if we think about the matter we can see that it would not be safe to assume that a single report would dramatically change the model. There are a range of ways in which the process takes place. However, an allegation that the report had been ignored or that

the issues were not being taken into account would be equally wrong. There is a process, of which the report is part.

Des McNulty: Excuse me, but that was just verbiage—

Michael Russell: No, it was an answer to your question. That is your interpretation of what I said.

Des McNulty: I asked specifically whether the distribution has changed to take account of deprivation and underachievement in some areas. You have not answered that question; please will you do so?

You said that the curriculum for excellence is the mechanism to deal with the issue. Is the £3 million that you are putting into the curriculum for excellence being distributed on a grant-aided expenditure basis, which would allow deprivation to be taken into account, or is it being distributed simply on the basis of the number of teachers?

Michael Russell: Let me be clear: the OECD report was not the only report that made those observations, and different observations are made by many reports. In a moment, I will ask Mr David Henderson to say a general word about how the process of allocating the resource is done, but the allocation will take account of deprivation and other considerations.

It is not unlike me to be blunt, Mr McNulty, if you are being blunt. I am telling you that the allocation of resources to local authorities in Scotland is done on the same basis, taking account of the same serious factors, as happened under several Administrations, so it has not changed in that regard. However, it constantly develops, according to the information that we have on Scotland as it is. Not only do I think that that is fair, but it is the same answer that any of my predecessors would have given, no matter which party they were from.

If what you are endeavouring to do—I will be blunt about this, Mr McNulty—is to construct a post-match press release saying that this Government is not doing something, I cannot help you. If that is what you are going to do, you will do it anyway. I am simply telling you that I stand as a minister in the same tradition as previous ministers, with a strong concern to ensure that Scotland gets the best out of the resources that we have. Would David Henderson like to say a word about the overall formula?

David Henderson: I do not have much to add—basically, that is it. You will not find a line in the formula that is headed “OECD report sum of money”, but deprivation and all the other things are and have been taken into account and will continue to be taken into account.

Des McNulty: I suppose my question is: has it changed in the past two years?

Michael Russell: It continually changes.

David Henderson: It continually changes. We discuss and agree the methodology with local government through time, so it is always under review, and it can and will change from year to year.

Des McNulty: Can you give me information about how it has changed?

Michael Russell: No. I am sorry, Mr McNulty, but I believe in calling a spade a spade. You are endeavouring to construct a press release.

Des McNulty: I am not.

Michael Russell: You are. You want a press release that says “Government ignores OECD report.” I am not ignoring the report and this Government has not ignored it. We have taken it very seriously. It is part of our process of consideration and will remain so. All my predecessors would have said exactly the same.

Margaret Smith: This is a very important issue. In effect, it focuses on the bottom 20 per cent, who are children living with deprivation and on the impact of that deprivation on their education, particularly on literacy and numeracy. I will just put in a quick punt for Craigroyston community high school in my constituency, which took part in world maths day and came first in the United Kingdom and 32nd in the world out of 56,000. When we challenge our children, we all know that they can rise to the challenge and do incredibly well.

Both the parties in the new United Kingdom Government have gone into that with a commitment to try to put in extra resources for education to help children in deprived areas. If extra resources became available through Barnett consequentials that were directly for that purpose in schools, would you make a commitment that that is exactly where that money would end up in Scotland, if you were still part of the Scottish Government?

Michael Russell: I would be very foolish to make a commitment that contradicted the statements of the Cabinet Secretary for Finance and Sustainable Growth, who has the authority in this area. However, I always fight very hard, and will continue to do so, to ensure that resources that become available are applied to educational priorities. I do not dispute that we should see the needs of the poorest in our society as the priorities that we should meet, because that is our job.

Unusually, I want to commend—one or two members may find this unusual—the work of Glasgow City Council on the nurture groups in its schools, which have been a successful intervention. I do not think that there is any contradiction between that and the national

policies that I pursue in terms of helping those who are especially vulnerable.

If we consider, for example, the objectives of the Ontario education system, we find that they are threefold: the first is to raise the achievement of the highest achievers; the second is to close the gap, so that the lowest achievers are brought up; and the third is—I return to this point, and I know that I sound like a stuck record on it—to ensure that there is public agreement and consensus on education. I commend those objectives, and my objectives would include those as well. We must pay attention to those who are most in need. Therefore, the OECD report and other reports help us to refocus our efforts to ensure that that happens. We are constantly aware of that and constantly working on it, and will continue to do so. I do not regard it as satisfactory that there is any low achievement in schools that is caused by poverty or other causes. Poverty is not destiny in educational circumstances, and we should never accept that it is.

The Deputy Convener: Thank you very much, cabinet secretary, for coming along. We have finished almost exactly on time, which is no doubt due in part to some magnificent convenership of the committee today.

Michael Russell: I thank you, deputy convener, and wish you a very happy Bloomsday. Today, of course, is 16 June—Bloomsday—the day on which the events of the novel “Ulysses” took place. I feel slightly as if I have been in some of them, but it has been very good of you to have this discussion—thank you.

The Deputy Convener: We will have a five-minute comfort break, which will allow witnesses to leave.

11:30

Meeting suspended.

11:37

On resuming—

Subordinate Legislation

Glasgow Caledonian University Order of Council 2010 (SSI 2010/198)

The Deputy Convener: Agenda item 2 is consideration of subordinate legislation. No motion to annul has been lodged, and the Subordinate Legislation Committee has made no recommendation. Unless any member has any further comment, does the committee agree that we have no recommendation to make on the instrument?

Members indicated agreement.

The Deputy Convener: That brings today's meeting to a close. The next meeting will be at 2pm on Tuesday 29 June in committee room 6.

Meeting closed at 11:38.

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