



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EDUCATION AND CULTURE COMMITTEE

Tuesday 11 November 2014

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**Tuesday 11 November 2014**

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**EDUCATION AND CULTURE COMMITTEE**

**26<sup>th</sup> Meeting 2014, Session 4**

**CONVENER**

\*Stewart Maxwell (West Scotland) (SNP)

**DEPUTY CONVENER**

\*Neil Bibby (West Scotland) (Lab)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)  
\*Clare Adamson (Central Scotland) (SNP)  
\*Jayne Baxter (Mid Scotland and Fife) (Lab)  
\*Colin Beattie (Midlothian North and Musselburgh) (SNP)  
\*Gordon MacDonald (Edinburgh Pentlands) (SNP)  
\*Liam McArthur (Orkney Islands) (LD)  
\*Mary Scanlon (Highlands and Islands) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Councillor Douglas Chapman (Convention of Scottish Local Authorities)  
Derek Mackay (Minister for Local Government and Planning)  
Robert Nicol (Convention of Scottish Local Authorities)  
Fiona Robertson (Scottish Government)  
Michael Russell (Cabinet Secretary for Education and Lifelong Learning)  
John Stodter (Association of Directors of Education in Scotland)

**CLERK TO THE COMMITTEE**

Terry Shevlin

**LOCATION**

The James Clerk Maxwell Room (CR4)



# Scottish Parliament

## Education and Culture Committee

*Tuesday 11 November 2014*

*[The Convener opened the meeting at 09:45]*

### Decision on Taking Business in Private

**The Convener (Stewart Maxwell):** Good morning and welcome to the 26th meeting in 2014 of the Education and Culture Committee. I remind all those present to switch off their electronic devices, please—particularly mobile phones—as they interfere with the broadcasting system.

The first agenda item is a decision whether to consider items 4 and 5 in private and whether to consider our work programme and draft report on the draft budget in private at future meetings. Do members agree to do so?

**Members** *indicated agreement.*

## Draft Budget Scrutiny 2015-16

09:46

**The Convener:** Today, we will hear evidence as part of our scrutiny of the Scottish Government's draft budget for 2015-16, which is focusing on school spending. We will hear evidence from two panels of witnesses. We will start with the Association of Directors of Education in Scotland and the Convention of Scottish Local Authorities, after which we will hear from the Cabinet Secretary for Education and Lifelong Learning and the Minister for Local Government and Planning.

I welcome to the meeting John Stodter, the general secretary of the Association of Directors of Education in Scotland; Councillor Douglas Chapman, spokesperson for education, children and young people at COSLA; and Robert Nicol, chief officer in the children and young people team at COSLA. Good morning to you all.

I thank you very much for your written submissions, which I am sure committee members looked at over the weekend. They are very useful in having set out your views.

We have quite a lot to get through, so we will move straight to questions from members. I should indicate that I will suspend the meeting at 10.45 so that members can go down to the garden lobby to take part in the remembrance day commemoration event. We will conclude the first panel's evidence between now and 10.45; we will not bring that panel back after the suspension. Thank you very much for your forbearance on that.

**Jayne Baxter (Mid Scotland and Fife) (Lab):** Good morning. I want to look at the evidence that has been submitted and talk a little about the expected cuts in 2015-16. COSLA's submission acknowledges that there are

"internal and external pressures on education budgets".

ADES says

"there are no easy reductions that can be made"

and that

"all of the efficiency or 'easy' reductions have been taken".

With that in mind, does ADES or COSLA have a picture of the developing situation for education budgets in local authorities in 2015-16?

**John Stodter (Association of Directors of Education in Scotland):** Yes. ADES works on the basis of networks. All our members are part of a network, and the networks cover our business. One of the networks is dedicated to resources. We meet regularly on a confidential basis, so we hear from directors and colleagues—we are not just directors; we have other tiers—about all the kinds

of things that are being actively contemplated for the draft budget. I can give members examples of the areas that are being looked at.

The areas start with administration and management in the centre and the services that support schools—business services, for example—to help them with their budgets and their clerical and administration services. Curriculum development, staff development, staff improvement, the whole quality improvement end of the business and the reductions in the number of officers doing that are being looked at. That reduction is a continuing trend; it is not new.

Less cover for schools is being looked at. Sometimes the staffing arrangements will become less generous in their flexibility and ability to cover. Perhaps reducing the management structures in secondary and primary schools is being considered. Transport, cleaning, catering, maintenance, classroom assistants, auxiliaries, pupil support and devolved budgets are being looked at. Not a single budget in the education service is not being considered somewhere for a potential reduction.

That is an interesting phenomenon, because what you are getting is a little bit from everything. Our view is that it might be time to take a step back and look at the whole system across Scotland, with partners, to see whether a single big decision might be made, rather than many small ones that have the effect of making the system more disparate and making it more difficult to see the impact of reductions.

**Councillor Douglas Chapman (Convention of Scottish Local Authorities):** A lot of what John Stodter said was about the difficult decisions that councils will have to make—and not just in education, because there are pressures on other budgets, which have a knock-on effect.

Education accounts for a large percentage of local authority spend, and most of the money relates to teachers' wages, terms and conditions and so on. Added to that is the pressure of maintaining a large school estate along the length and breadth of Scotland.

Those are some of the difficulties that councils face, and the point about there being no easy answers is right. We need to think about how the education service is delivered in each local authority. Ultimately, each local authority needs to come to a conclusion about what savings will look like.

There is an issue to do with how we involve the wider public in the process. Everyone has a stake in ensuring that education is delivered to the highest standard possible, and we have a good track record on that in Scotland, but there are pressures and we know that more financial pain is

coming down the tracks, so we need to be prepared for that.

For local authorities, there is probably not a lot that is off the agenda at the moment. Authorities are looking at a range of things—whether they will lead to savings, efficiencies or cuts is another matter, but things are out for consultation.

**Jayne Baxter:** Are we looking at actual cash reductions next year?

**Councillor Chapman:** I think that the budget looks okay for next year, but authorities are looking at the years beyond that and trying to prepare the ground, to ensure that savings can be implemented in subsequent years. Sometimes when decisions are made in one year there is a gap before the savings come through, so preparations have to be made.

**Jayne Baxter:** Do you have examples of how budgetary decisions have impacted on pupils' experience of the education system?

**John Stodter:** There are areas that will impact on at least some families. Some authorities are looking at the support activities that happen around the school, which might not be central to the teaching and learning in the classroom, such as after-school clubs, breakfast clubs, support activity and sport and leisure activities. Some authorities are even looking at school crossing patrols.

There is an indirect impact, in that teachers report that there is generally less support from the centre. Teachers have less time for improvement activities with individual pupils or groups of pupils. I heard a good example of an improvement project in a school, which involved counselling for certain pupils. Individual pupils were sat down and given targets, which focused on literacy and numeracy. The approach was taking up about 15 minutes per day, and in its first year it had significant results. However, because of reductions in budgets and cover, and because the school has not been able to get supply teachers, management time in the school has been significantly reduced and the deputy head and headteacher are class committed, so the programme is in abeyance for a year.

Some budgetary decisions might not go directly to the heart of what teachers do, but they affect teachers' working time and management time. Teachers feel under more pressure, because there is less support, and that reduces their capacity for multi-agency working and making the changes to which everyone is committed, to try to reduce the significant gap between the people who succeed in the system and those who traditionally do not do so.

In our view, there is an impact. It is easy to think that there are back-room and front-line services but, in an education service, they are deeply integrated. Teacher numbers relate to all sorts of other things, such as pupil support and other types of staff who work in the school.

**Councillor Chapman:** Jayne Baxter asked about pupils; some of the evidence that the committee has taken to date concerns groups other than pupils. The great strength of local authorities is that, when councillors make decisions on their budgets, the main thing in their minds is how they can best protect the local services and support pupils given some of the budget cuts that they face. How we provide the service for pupils and support them even with some of the difficult decisions that need to be made is an issue that we should keep our minds on, and councils do that.

John Stodter gave examples of the impact of some of the decisions, but we try to mitigate them as best we can and work smarter in the council. For example, we heard yesterday about three councils working together to deliver language training—Perth and Kinross Council, Dundee City Council and Angus Council. There are different ways of providing the same level of service; we just sometimes need to think differently about how the service is delivered to squeeze the savings out of the system. At the end of the day, the pupils should be none the wiser that there are cuts, but that is a difficult trick to pull off.

**Jayne Baxter:** Thank you.

**The Convener:** The first line of the submission from ADES says:

“Education services will require to make significant further savings over the coming years of the order of several percent of current spend”.

What do you mean by

“several percent of current spend”?

Do you mean that inflation will have that effect or do you mean that there will be less cash? Is it a real-terms problem or a cash problem?

**John Stodter:** The inflationary issues are all built into the education service budget. In the council, we are told that we have a target to reach, which includes any inflationary pressures. That could be included in the information that we have this year, which is sketchy and not entirely reliable until the budgets are finalised.

We are looking at a figure of between 2 per cent—that was the smallest one I saw—and 6 per cent in a single year. As a director, that is what I am presented with. I am told that the council is looking for something like a 6 per cent reduction in spending, and I then have to produce papers with scenarios and ideas of where I might find that

saving. That starts the corporate process of reaching the final decision. The inflationary element will be built into that.

**The Convener:** Are the 3 per cent efficiency savings that local authorities are required to make part of that?

**John Stodter:** Yes.

**Councillor Chapman:** Yes.

**The Convener:** Local authorities keep those savings.

**John Stodter:** Douglas Chapman might be in a better position to answer that. I am giving you an education authority view of the kind of percentage reduction we have to deal with. I guess that the efficiency savings and inflationary pressures will be built in by the time that directors get their targets for savings.

**Robert Nicol (Convention of Scottish Local Authorities):** I will try to help. Obviously, the council has to budget in the round and there will be pressures right across the local authority. We have highlighted in our submission the fact that, because education is such a large part of what a local authority spends, the budget has ripple effects across the authority and vice versa. In effect, the education budget will have an impact on other services that are not related to education and the budget for, for instance, older people's care will have implications for the education spend.

When an authority tries to budget, it will have an idea of the savings that it wants to make right across its responsibilities, and some of them will have to be passed to the education service in the way that John Stodter described. The council will try to budget for everything. It is legally required to set a balanced budget and will factor in the efficiency savings that it needs to make in order for that to happen.

10:00

**The Convener:** Excuse me if you think that you are answering the question, Mr Nicol, but I am still not clear whether your expectation is that there will be cuts in the cash for education, or whether it will be a standstill cash budget and therefore inflation is the issue. Just to be absolutely clear, is the draft budget a standstill budget in cash terms?

**Robert Nicol:** Perhaps I can work down from that. You are right in the sense that there is a standstill budget for 2015-16. However, it is up to the authority to decide how much money will be allocated to individual services and that is a local planning matter depending on many different factors. At the same time, the authority will know across the piece what savings it will have to

deliver to meet all its obligations and deliver the quality of service that it wants.

Therefore, yes, there is a standstill budget for 2015-16, but that does not mean that there are not significant financial pressures right across the authority that will have to be factored in.

**John Stodter:** When I was director of education in Aberdeen, this point came up every year: the difference between what happens at national level, where it looks reasonable, and what happens when it comes down to the education service.

There are two issues. First, authorities are engaged in contracts, such as public-private partnerships, that have an inflationary element built into them, and sometimes that element is actually bigger than inflation. There is a whole element of increased costs, which on a standstill means that the budget is down because there are inflationary charges, some of which are unavoidable.

Secondly, there is a set of new burdens in the settlement. When the new burdens and the inflationary element are combined it means that, when we get down to the service receiving the budget, there is a reduction in the amount of money that we have to spend on the service.

**The Convener:** It is not a reduction in the amount of money that you have to spend.

**John Stodter:** It is.

**The Convener:** I think that we just agreed that, in cash terms, the settlement is a standstill budget. You may have to spend that money on more things, which is perhaps what you are saying, Mr Stodter.

**John Stodter:** When directors are given a budget, the budget is reduced from the one that they had the previous year, and they have to do more with it. That is the reality.

**The Convener:** Now we are getting down to the point that I was trying to get a hold on. The budget that is provided by the Scottish Government—the draft budget—is the same as last year in cash terms, but are local authorities deciding that education will suffer a budget cut in cash terms?

**John Stodter:** As Robert Nicol explained, all services are experiencing reductions.

**Councillor Chapman:** In years gone past, many local authorities have tried to protect education because they valued it as a key service. I think that John Stodter and Robert Nicol are saying that we are now at a stage where it is very difficult to offer the level of protection that we would want. There are other demographic pressures on services that we deliver—people growing older and needing more care and so on—

that make protecting the education budget much more difficult.

**Neil Bibby (West Scotland) (Lab):** There are pressures on budgets and, even if there is a standstill in cash terms, that means there are real-terms cuts when inflation is factored in.

We will talk about various different impacts on the education budget, but first I wanted to ask about teacher numbers. I understand that COSLA, the Scottish Government and the unions are in discussion about teacher numbers. What is the likely impact of the budget on teacher numbers, and what would be the impact on the education system of a decrease or increase in teacher numbers?

**Councillor Chapman:** The agreement that we have with the Scottish Government is that we will maintain teacher numbers at a level that ensures that the ratio of teachers to pupils remains roughly the same. One thing about having an agreement on teacher numbers has been that we have had a stable workforce over a period. However, it has always been COSLA's view that, as we move forward, we should start to measure not just what we put into the system but the outputs or results of the activities that happen in schools. That is roughly where we are trying to take the debate. We are trying to move away from what are probably fairly crude input measures to looking more at what the outcomes might be.

Given John Stodter's experience, he is probably in a better position to give some background on the impact of a reduction in teacher numbers, but obviously the impact might be larger classes in some subjects. The jury is probably out on whether there is a direct link between a fall in teacher numbers and issues with maintaining the level of attainment or improving it, but I am sure that it would have an impact on teachers' workload.

**John Stodter:** There would be two effects of reduced teacher numbers. One would be larger classes in primary. Because there are so many primary schools, we might be talking about an increase of one or two pupils on average across the piece. In secondaries, it would probably mean reduced subject choice in secondary 3, beyond the broad general education. I have practically managed those two effects of a reduction, as well as the opposite effects of an increase. That is what happens when an authority reduces the teacher number in its area.

**Neil Bibby:** The obvious follow-up question is whether local authorities have enough resources to maintain teacher numbers at current levels.

**John Stodter:** That is a political question. Local authorities are committed to that under the



agreement through COSLA. They will maintain numbers in so far as they are able to do so.

**Councillor Chapman:** A survey is conducted every September, and I think that we are due to be more or less on track when the results are announced in December. We hope to ensure that the current agreement is delivered.

**Robert Nicol:** There are two elements. One is about this year, in which we have an outstanding agreement with the Government—we will know in December whether we have achieved that. The second part is what happens in future years. That is the work that we have highlighted in our submission and that has just begun.

Neil Bibby's question about the impact of reductions or increases has to be thought about in terms of budgeting in the round, which we discussed previously. If a council reduces one thing, that gives it more money to spend elsewhere. As John Stodter said, a range of things other than teacher employment have a bearing on education, so clearly there is a knock-on impact there as well.

**Neil Bibby:** To be clear, there is an agreement for this year, 2014-15, but we are looking at the draft budget for 2015-16, and there is no agreement yet on teacher numbers for that year.

**Robert Nicol:** Not yet—we have some work to carry out first.

**Neil Bibby:** I just wanted to be clear about that.

Did you hear the concerns that the Educational Institute of Scotland raised last week when it talked about the possibility that children could regularly be sent home because of a lack of teaching supply? Is that a concern to ADES or COSLA?

**Councillor Chapman:** Do you mean in terms of teaching supply?

**Neil Bibby:** The issue was a lack of teaching supply resulting in the possibility of children being sent home.

**Councillor Chapman:** Are you talking about supply teachers? I do not know whether that is what your question is aimed at but—

**Neil Bibby:** It is if there are no teachers to teach the kids. If there is a lack of supply to cover absences, that will obviously result in such a scenario.

**Councillor Chapman:** We are nowhere near that position at the moment. We have an agreement for this year and we are working on an agreement for next year, so there is no indication that that would be the case. We will take time over the next four or five months to work out with the Scottish Government what the agreement might

look like. From our point of view, we wanted it to take more account of the outcomes for pupils and how we measure those, rather than attainment and achievement. What is the position in terms of the overall settlement, and can it be linked to the settlement? Those are the questions that we are discussing at the moment. Robert Nicol and the other officers represent COSLA in that, and we hope to come to an agreement before the end of this financial year.

We are where we are with teacher numbers. There is no change to that at the moment.

**John Stodter:** The concern that was raised might have referred specifically to supply staff. As you know, parts of the country are experiencing difficulties in having sufficient supply staff when they need them. It has always been the case that, between November and the end of February, there is a potential for illnesses, flu epidemics and other things to put a strain on the available number of teachers. Having enough teachers to fill all the vacancies but also having just enough slack on the relief register so that you do not create an issue of teacher unemployment is a difficult balancing act to pull off, and the Scottish Government has managed to do it for a number of years. It involves an extremely sophisticated and complex teacher planning model, which predicts and tries to model all the factors that are involved in the supply end of the chain. However, what it cannot do is predict people's behaviour, such as family decisions to move across Scotland, or, indeed, councillors' behaviour in making budget decisions.

There are areas in which difficulties are being experienced. The Government has taken action to ensure that the supply end is turned up a bit, even beyond what it might predict or expect, so I think that it might be a temporary arrangement.

On the issue of sending classes home, teachers use their discretion and try to avoid that where possible, so they would go beyond what they are obliged to do in order to avoid that happening. However, I am sure that, come February, if there is a flu epidemic or a heavy snowfall, which is quite common in the north-east, where I am from, there will be situations in which headteachers will have to consider what to do if they do not have enough staff.

**Councillor Chapman:** As part of the pay agreement that was struck last summer with the EIS and other trade unions, we said that we would look specifically at the issues around supply, because we knew that there were some pinchpoints in the system in particular subjects or geographical areas. A working party that we set up at that time is due to report towards the end of the year or early next year on some of the actions that local authorities will take jointly and in conjunction

with trade unions to ensure that we have a more seamless system and that people who want to be involved in supply can find a wider range of work among a few local authorities rather than focusing on just one. Some west of Scotland members whose constituencies match fairly closely the council boundaries might know that there have been difficulties when someone who has been doing supply work in one local authority moves across boundaries.

We need to think about how we make the system a bit more joined up so that we can take advantage of all the teachers who want to be on a supply list and can use the resources that we have to best effect. Hopefully, the recommendations of that working party will be with you quite soon.

**Neil Bibby:** We have heard concerns about the impact of the cuts on teacher numbers, and ADES has already mentioned other areas that are being considered for efficiency savings, involving extracurricular activities such as sports clubs.

Last week, we heard concerns from parents organisations about the hidden or increased costs relating to the curriculum and the education experience, such as extra charges for music tuition or school trips, and the need to do more fundraising in schools. What is your response to those concerns, with particular regard to deprived areas, in which schools' fundraising efforts might not match those in more affluent areas?

10:15

**John Stodter:** Some authorities are considering increasing the charges on music tuition. The research is mixed about whether that has a negative or a positive impact, because some of the highest charging authorities have the highest uptake so, ironically, there is no direct relationship between charging and uptake. Most authorities have a remission or support scheme for families who cannot afford the charges, for example because they may have two children taking music.

Although that is a specific issue, it is a good example of where local authorities look for savings. On the one hand, they look at the core and the statutory services; on the other, they look at all the matters that they are not legally obliged to do—the discretionary services, such as after-school clubs and study support. Music would fall into that category, too. Naturally, if two thirds of the budget is protected and you are looking for a 6 per cent saving, then you are looking to make an 18 per cent cut in the remaining third, which brings all those other services sharply into focus.

The question was about how the increased charges impact on parents. It would be a mistake to say or to believe that parents are suddenly being asked for money, because parents have

always contributed to the education system, such as money for school trips and small amounts for materials for home economics, craft, design and technology and so on. There may also have been a special school fund to which they contributed to pay for white boards or new equipment.

**Neil Bibby:** I accept that parents make contributions. Last week's witnesses said that the burden had increased.

**John Stodter:** That may well be, but I am not aware of that. As I said, I worked in Aberdeen, where we had some of the most advantaged areas in Scotland but also some of the 10 per cent worst areas for poverty. There has always been an issue that some schools can raise money. In Aberdeen, there were special schools attached to hospitals that could raise significant amounts of money; in fact, the amount of money that big companies were prepared to pay into special schools in particular was quite embarrassing. A lack of equity is an issue when people are giving money voluntarily. I am sure that the situation is disadvantageous to families that do not have money.

**Councillor Chapman:** We all appreciate that a lot of families and family budgets are under excessive pressure—it is not just local authorities and the Government. Because we have democratic oversight of the services and some of the savings that we must make, councillors think very carefully about how any cut may impact on a family.

John Stodter talked about music services. If children are on free school meals, there is usually something in local authority policy that says that they will pay next to nothing or nothing at all for music instruction. That is not the situation across the board; nevertheless, it is an example of how councillors think long and hard about how they can best protect the most disadvantaged families in their school area and make sure that those disadvantages are mitigated to help family budgets.

**Liam McArthur (Orkney Islands) (LD):** Last week, we heard about the proposal under which the sanction that has been in place historically against local authorities that did not maintain the teacher pupil ratios would no longer apply for the period that we are looking at here. Concerns have been raised about the practical implications of that for the maintenance of the ratios. Do you see any practical implications?

**Robert Nicol:** The sanction has never been implemented and, unsurprisingly, COSLA has argued that there should be no such sanction. We will have to see what the December figures tell us. However, the agreement is national—it is not applied per council. As of next year, we will have

to see what the outcome is. If the agreement is successful, I hope that we will be in a completely different situation and that we will be talking about outcomes rather than measuring things such as teacher numbers.

**Liam McArthur:** But you are conscious of the risks.

**Robert Nicol:** Absolutely.

**Liam McArthur:** Because if teacher numbers drop, you have made the argument for sanctions in the minds of some people.

**Robert Nicol:** There is also the argument that money should not be taken away from an authority that is trying to invest in education. We do not think that there is any argument for a sanction, but clearly that is part of the negotiations that we must have with the Government, which must be a give-and-take process.

**The Convener:** Is the argument not, though, that money would be taken away because you are not investing in education? Your cutting of teacher numbers would be the reason for a sanction.

**Robert Nicol:** Clearly, it is linked to the agreement, as we pointed out. A council must budget in the round, and there are pressures right across an authority. I do not think that it is a matter of authorities not investing in education; it is about authorities being under pressure right across what they do.

**George Adam (Paisley) (SNP):** Good morning, gentlemen. I have questions that are similar to those that I asked last week's panel of witnesses, which are on possible solutions to budget pressures. I am the type of guy who believes that we should try to find a solution because there is no such thing as an impossible situation. The ADES submission said interestingly that

"ADES has developed a range of ideas that suggest system-wide change provides a more sustainable approach: this can only be achieved through national discussion ... as opposed to each local authority finding its own solutions."

Can you expand on ADES's "range of ideas"?

**John Stodter:** Yes. Two things need to happen before we get into the detail of what the ideas might be, one of which is an agreement from politicians, including MSPs like you and COSLA, that we can look at the whole system—what we call the learner journey from the very early years all the way through to 18-year-olds and beyond. We would need that kind of agreement first.

We would then need to have discussions about specific ideas and what those might mean. They would have to be worked up in a way that showed two things: first, that there is clearly an educational advantage and benefit and that we can improve

the system; and, secondly, that it is more efficient and might bring a financial saving. The third element would be ensuring that no one was disadvantaged by what was done.

I am not suggesting this, but some schools of thought say that it would be better for children to start school at the age of six. If that were educationally proven to be a good idea, we would have to ensure that families were not disadvantaged in the process, that we had a system that could support children starting at the age of six and that we were confident that it would lead to improved outcomes.

That is the kind of issue for which we would need a lot of agreement. We would have to work it up and consult on it, and involve parents and trade unions. I am not proposing that idea, but it gives us a sense of the sensitivities and potential difficulties involved in taking any whole-system-change decisions.

Our view is that we do not really have a mechanism in Scotland for having that kind of debate. We need to begin to look at whole-system issues. Our view is based on the fact that, currently, because of the kind of decisions that have been taken, we are moving into a more diverse situation, whereas what we are trying to do is improve equity and fairness. It is becoming increasingly difficult to see what the situation is like. There is also a link to issues such as performance and performance frameworks and so on, which we think we need to look at so that we can be much clearer about what progress is being made and whether the gap is closing. We perhaps need more data and intelligence.

In my professional view, we need to talk about whole-system issues as opposed to talking about individual cuts, given that this year looks difficult and the next few are going to be even more difficult.

**George Adam:** ADES also said in its submission that

"some functions are best delivered locally, some on a more regional basis"—

that is similar to what you have just said—

"i.e. council level or across some councils in partnership".

I bring that up because "shared services" has been the mantra since I became a councillor. During my time, there were various starts, but things stopped again. Last week, Eileen Prior from the Scottish Parent Teacher Council said:

"As we said in our submission, the time has come to have a radical rethink: to step back and ask, 'Is local authority delivery of education the best way that we can do this?'"—[*Official Report, Education and Culture Committee*, 4 November 2014; c 19.]

Like you, I am not saying that that is the way forward, but should we be having a conversation about how we deliver education?

**John Stodter:** I want to make it clear that we are specifically not saying that the governance or political structures should change. We are talking about operating within the current governance and political structures and we are saying that there are areas of education that could be delivered differently, in a joint way.

I will give a specific example. Again, I am not advocating this, but we looked into literacy for the Government, and there were three literacy schemes that were based on a hub model with lead authorities. Fife—Councillor Chapman's authority—was one of them, and the others were West Dunbartonshire, North Lanarkshire and Edinburgh. They were able to see significant benefits in working across those authorities, particularly for psychologist teams.

Currently, under the Currie report, every authority is required to have a principal psychologist and at least one depute. In some cases, there are three or four depute psychologists. We found that operating across a number of authorities had real benefits for those psychologists because very small teams were getting access to different kinds of expertise and it was a better way of operating.

I am not suggesting that we do that, but it illustrates that there are areas in which we can operate in different ways. A few years ago, local authorities looked at procurement, and instead of doing it individually, they worked with the Scottish Government on a national procurement system. There may be areas such as that, where things can be done, in education. I am not suggesting a centralised national body or taking education out of education authorities. I just think that it is time for local government, national Government and the interested parties, including parents and unions, to look at the allocation of functions in a different way, which might provide efficiencies.

**George Adam:** I ask Douglas Chapman to comment from a COSLA perspective. Last week, Larry Flanagan said that the main barrier is "political context", so he says it is your fault that we cannot get shared services. As a former councillor, I probably take some of the blame as well. How can we get shared services to work? John Stodter gave some good examples, but in other places such as the Clyde valley things have fallen to pieces. Why are we not doing this? It is not rocket science.

**Councillor Chapman:** I would not want to comment on some of Mr Flanagan's comments. What I was hoping to say—it builds on what John Stodter said—is that a lot of big things are going

on in Scottish education just now, from the early years onwards. Curriculum for excellence is still developing, which is a good thing. The Wood commission is looking at the outcomes for young people as they progress through their education, and there is big activity to try to close the gaps in attainment and literacy. Those are the big things that are happening. The question is how local authorities can make them work better and use all the talents of our teaching workforce to get better outcomes.

In some circumstances, shared services may not be shared between local authorities. For example, within a high school cluster certain efficiencies could be achieved that would improve the outcomes for children from the early years right through curriculum for excellence, which runs from three to 18, and into the remit of the Wood commission and its recommendations. What efficiencies can be built into the system in that way? A lot of people have talked about subject choice. If there were two or three high schools in fairly close proximity and one was not providing German teaching, for example, one of the other schools could become the German hub and children who wanted to pursue a qualification or higher in German could, at a particular time of the day, go to the German hub, go online or whatever. There are several ways of delivering the education to that young person to aid their learning.

You are right to suggest that sharing services across local authorities has not always worked as well as people might have hoped, but there are other ways of working smarter. Indeed, the parents groups who gave evidence last week talked about working smarter when things are financially tough, and I think that those are some of the ways in which we could do that. The teaching workforce is up for that sort of challenge, and those are some of the changes that could be implemented. It will not be easy but, with a fair wind, they could be a way forward and could provide you with some of the solutions that you are keen to see.

10:30

**Mary Scanlon (Highlands and Islands) (Con):** We are trying to look at the budget's impact on education for this and future generations. However, speaking not only as the deputy convener of the Public Audit Committee but with my Education and Culture Committee hat on, I have to say that I am having some difficulties with that. For example, Audit Scotland has reported:

"There has been no independent evaluation of how much councils spend on education and what this delivers in terms of improved attainment and wider achievement for pupils"

and that

“there is no consistent approach to tracking and monitoring the progress of pupils from P1 to S3.”

I acknowledge COSLA’s comment in its submission that, from next year, it has

“reached a new agreement with Government”

whereby it

“should begin shifting the focus away from input measures such as teacher numbers towards a more useful measure of educational outcomes.”

I very much welcome that—indeed, it is just like the issue of whether having more doctors and nurses in the national health service means that we are all healthier—but I have to say that I am struggling to find the outcomes. According to the Auditor General, there is no defined relationship between how much is spent on education, where it is spent and whether it means more or fewer teachers, more quality improvement, more staff development, more primary teachers or whatever. We just do not seem to have information about the best place to spend the money to achieve a better outcome. I cannot find it and the Auditor General says that you do not have it. Can you help me?

**Robert Nicol:** I can try. I think that that ties in with John Stodter’s earlier comments.

On the link between spend and attainment—between what you put into a service and what you get out of it—it is not true to say that spending X amount gives you a certain outcome and that you can magically alight on a figure that will give you everything you want. The picture is far more complicated than that. Indeed, that is the work that we want to undertake. We are not necessarily saying that it will be easy—it will not—but that is what we want to do.

The issue is partly that, at the moment, the information that we get tends to be about things that can be more easily measured, such as qualification levels and other things that happen in the senior phase. John Stodter was talking about trying to understand better the impact of certain things and whether investing in them is really going to deliver results, but from primary to early secondary education there is a gap in the information that can be gathered. We recognise that that is a challenge. I do not think that we will solve the problem in five months, but we are trying to make a good start and build on that work in subsequent years.

**Mary Scanlon:** We have had this Parliament for nearly 16 years. Obviously, over the past 16 years there has been more focus on Scottish education, but I hope that you understand that it comes as a wee bit of a shock when the Auditor General says that we do not know the relationship between spending and outcomes.

On page 3 of its submission, ADES talks about the level of support. It says that

“support assistants, breakfast clubs and study support ... auxiliaries, after-school care, sports, culture and leisure clubs, may well be reduced”

and that

“many ... have already been reduced.”

It goes on to say that

“some will also review their vocational options, course offerings and links with colleges.”

That relates to the Wood commission. It continues:

“The removal of management, development, quality improvement and support posts from central staffing in all authorities has reduced schools’ capacity to respond to curriculum development and multi-agency working”.

There has been an increase in the number of children going to primary school, yet in the past four years the number of primary school teachers has reduced by 12 per cent. There are reductions in all those aspects of spending on education, but we do not know whether that will affect attainment or achievement for school pupils in general. You say that you do not really know the link between spending and outcomes, but a pretty good fist has been made of cutbacks here. How do I, as a member of the committee, know that you are cutting back in the right places and that that will lead to better outcomes?

**Robert Nicol:** The important point to remember is that there is local scrutiny of budgets. As Councillor Chapman said, in decisions that are taken locally councils have to weigh up the impact that certain things will have.

**Mary Scanlon:** Do they have information that we do not have? Do they know what is better and what is not?

**Robert Nicol:** John Stodter might be able to talk a bit more about that. Councils have information about service planning and what happens in schools. There is more information locally, but we cannot necessarily aggregate that up in a comparable way to develop a national picture.

If we just use raw figures such as spend per pupil, that does not tell us much about whether there is a good service. There is a much more nuanced picture, which is the responsibility of local education authorities in their scrutiny role.

**Councillor Chapman:** As the committee will no doubt be aware, a lot of information goes to councillors about educational performance in individual schools. In my local authority, Fife Council, we interview our headteachers and have them in to be scrutinised on their schools’ performance. The level of professionalism that we have centrally in local authorities ensures that there is quality control and that schools are

supported. Even though we are facing some fairly serious cuts, the levels of support and expertise that are already there mean that we can focus on the things that work in schools and ensure that our staff are in the best position to deliver the services.

**The Convener:** Thank you. We will have to move on.

**Liam McArthur:** I was going to ask whether we have got the balance right between national and local decision making, but John Stodter addressed that in response to George Adam's questions.

At last week's meeting, there was some discussion with witnesses about the effect of postcode lotteries, which I suppose is the flipside of locally based prioritisation. There was also an argument that there is perhaps a need for more national parameters if not ring fencing. I think that Larry Flanagan talked about a national staffing standard. Councillor Chapman, you were not going to be lured into commenting on the EIS's remarks from last week's meeting, but do you have any observations to make about how those national parameters might be made to work at a local level?

**Councillor Chapman:** Guidelines are already set down for class sizes across all primary stages and into secondary, and those are often the trigger for establishing what the staffing level might be within a school. We might need to hear more detail about what is in Larry Flanagan's head, but we are content with the current system. Whether there needs to be a change in the relationship is something that we need to discuss with the Scottish Government. At the moment, we have a very definite role in delivery and in making sure that, if there are national ambitions or standards to be met, that is part of the negotiation that we have with the Scottish Government almost every day to ensure that local authorities are delivering what is expected of them. If we have any concerns about the direction of travel of education policy, we have a pretty good line in to say to Government decision makers that maybe we should rethink X or Y. At the end of the day, it is a negotiated settlement. That is how we have worked and it seems to work quite well.

**Liam McArthur:** You gave the example of a pool of supply teachers being drawn on across local authority boundaries, which, on the face of it, seems to make sense.

**Councillor Chapman:** It would be difficult to do in your constituency.

**Liam McArthur:** Indeed. I am not unfamiliar with Orkney being the exception to the rule in this committee.

As compensation for supply teachers being drawn on across a wider area, is there scope for

allowing the duration of supply to be longer in order to provide more certainty and continuity for the staff and pupils? Would you see such a quid pro quo being part of that arrangement?

**The Convener:** Can I have very brief answers? I want to bring in another member before I have to suspend the meeting.

**Councillor Chapman:** A lot of teachers who are involved in supply may not see it as a full-time career. They might do it because they have to fit their work around caring for children or elderly relatives and so on. It is not always as easy as you suggest.

**Liam McArthur:** Indeed. A day here and there is fine if that is what they are looking for, but you can see how that might cause problems if the work was spread over a larger area.

**Councillor Chapman:** It goes back to the previous point. We are working on a range of recommendations and will need to take that into account when we come to our conclusions. I will certainly take that idea to our next meeting.

**The Convener:** I ask Clare Adamson to be brief.

**Clare Adamson (Central Scotland) (SNP):** The national performance framework has been touched on in evidence. Is there any evidence to demonstrate that the NPF has helped to improve outcomes? How does it inform the spending allocations of the Government and local authorities?

**John Stodter:** The national performance framework has encouraged local authorities to look in a much more focused way at what we are producing as a result of the investment in education.

I have to respond to some of the points that Mary Scanlon raised. The Audit Scotland report said that there has been improvement over 10 years, and that is partly because people are focusing on what makes a difference. There is a lot of research on what makes a difference in education, and the Government produced some documentation for authorities that shows the basic things that improve education systems. That is what authorities improve on.

Half the recommendations in the Audit Scotland report are about better benchmarking and better performance information at the operational level. Although the report says that there is no consistent framework, individual authorities have a consistent framework and the report is really saying that there is no agreed shared framework across Scotland. It is very important to distinguish between high-level outcomes at the top end, where politicians want to know that things are improving and the investment in education is being

successful, and the detailed operational day-to-day progress tracking of teachers. Teachers become nervous if their individual progress tracking becomes part of a public accountability issue. Their accountability is directly to parents, and if parents want to find out how their bairn is doing they go to the school to speak to the teacher. That is proper accountability as long as it is benchmarked, checked and so on.

We have to work out a system that meets all the requirements of parents, respects the sensitivities of teachers, provides the high-level performance measures that you will require as a Parliament—*[Interruption.]*

10:45

**The Convener:** The Presiding Officer's announcement was the reason why I was hurrying you.

Clare, do you have a supplementary question?

**Clare Adamson:** Douglas Chapman talked about COSLA moving towards focusing more on outcomes, but Larry Flanagan was quite sceptical about that when he gave evidence last week. He said that the outcome agreements might be so nebulous that they might not mean anything. Can you comment on that?

**The Convener:** Very briefly, please.

**Councillor Chapman:** At the national level, outcomes need to be at a high level and can be seen as a bit of a blunt instrument. The real value is in looking below that level at some of the work that local authorities and headteachers carry out with their staff in schools. Our focus is and should be on the relationship between the pupil, the parent and the school to make sure that we are delivering the outcomes that we need to grow and develop our economy. That is really what it is all about. How do we make our economy stronger—by having a well-educated workforce or by children leaving school to become part of that workforce?

**The Convener:** Our time this morning has been slightly curtailed, for good reason. Thank you for your evidence. It was very useful in a number of areas and we will follow it up with the next panel, which is the Scottish Government, the cabinet secretary and the minister. We will reconvene at 11:15. Before I suspend the meeting, I should say that I intend to write to you to follow up on a number of areas that we did not get a chance to discuss this morning because of the slightly curtailed time. I hope that you will be able to respond to us quite quickly so that we can include your answers in our report.

I suspend the meeting to allow members to go to the garden lobby.

10:47

*Meeting suspended.*

11:13

*On resuming—*

**The Convener:** I welcome our second panel of witnesses, who are Michael Russell, Cabinet Secretary for Education and Lifelong Learning; Derek Mackay, Minister for Local Government and Planning; and Scottish Government officials Fiona Robertson, director of learning, and Bill Stitt, from the local government finance team. Thank you all for coming.

I understand that the cabinet secretary and the minister want to provide short opening statements.

**The Cabinet Secretary for Education and Lifelong Learning (Michael Russell):** Thank you, convener. Derek Mackay will set out the broader context of the budget, and I will speak about the progress that we are making and the decisions that we face if we are to realise our ambitions for Scottish education.

Since 2007, there has been constant improvement in our education system, supported by appropriate change. When this Government came to power, curriculum for excellence was running aground, standards were slipping, our programme for international student assessment scores were drifting and a high proportion of our school buildings were in poor condition.

We have turned that around. Curriculum for excellence has been rolled out as the way in which we do education and it is producing ever better outcomes. We have record exam results and a record number of school leavers in positive destinations. We have halted our decline in the PISA tables, we have reinforced our international standing in education and we have more new or refurbished schools. Four hundred and sixty-three school building projects have been completed since this Government came to power, which is 135 more than were completed under the preceding Administration.

There is also progress on early years, free school meals, attainment and vocational education. Across all the main measures, across the whole area of education, what exists now is better than what existed in 2007. That is the reality.

However, we cannot and should not rest on our laurels. We should do more. We should work across the political divide, with the unions, with parents, with pupils and with local authorities. That is how we will achieve the best results for

Scotland. I made that case to the committee in April and I make it again.

Of course, with the powers that come with independence—the powers of a normal state—we could have used tax, welfare and labour market regulation to bear down on the real enemy of educational progress, which is poverty. In the event, Scotland did not vote yes, and there are consequences to that decision for this budget and future budgets. We now have to find a way of getting better results with the money that we have.

The first thing that we should do is be true to the tradition of Scottish education, while always seeking to improve outcomes. We will not do that by chasing the latest fad or misrepresenting the improving reality of Scottish education. We will not do it by imitating approaches that are failing elsewhere.

The Finnish educator Pasi Sahlberg, who is now teaching at Harvard and whose students are studying for a masters degree in international education and looking with approval at what Scotland is doing, describes much of what is taking place in other countries as being infected by GERM—the global educational reform movement.

I will be happy to explain the perils of GERM at greater length, if I am asked to do so. I want to reinforce some key points, because we are trying to use them to improve Scottish education. Successful, well-rooted education systems that are not part of GERM have high confidence in teachers and principals as professionals, encourage teachers and students to try new ideas and approaches—in other words, putting curiosity, imagination and creativity at the heart of learning—and regard the purpose of teaching and learning as being to cultivate development of the whole child.

I want Scotland to remain GERM free and I think that the vast majority of Scottish parents and teachers want that, too. I want a system that has high confidence in teachers, which is open and creative and regards Scotland as the best place to grow up in. Such an approach encourages innovation. That is why, for example, the week after the referendum I announced that we would convene a children and young people's summit. At the first planning meeting yesterday, I was bowled over by the ideas and aspirations of Scotland's young people.

Instead of being fixated with structures, we are focusing on closing the attainment gap and creating greater equity. Ours is an outcome-based approach with local authorities, which is the best guarantor of educational stability and progress. We should be placing young people, teachers and teaching at the heart of improving outcomes for our children and young people.

Let me make this absolutely clear to the committee: we cannot drive up attainment and improve outcomes with fewer teachers. We are committed to working with local government, with the engagement of parents and trade unions, to reach agreement on better educational outcomes. Those discussions have commenced and have not concluded. Teachers are at the heart of achieving the very best outcomes for our children and young people and are a top priority for Government.

The progress that we are making in Scottish education, the hard work that we have put into curriculum for excellence, the inspiration that we are drawing from the improvement partnerships and the emphasis that we place on developing Scotland's young workforce must all be taken forward in a time of ever-greater financial insecurity.

The time is right for detailed reflection by all players in Scottish education about what should come next and how Scotland can continue to improve. We must press on and build on the progress that we have made, and we will do so, through our strong Scottish approach to innovation as well as our proud history as the oldest system of compulsory schooling in the world. I am very open to discussions with people about how we do that and I look forward to those discussions.

**The Minister for Local Government and Planning (Derek Mackay):** The Cabinet Secretary for Education and Lifelong Learning has outlined the Scottish Government's forward-looking policies, which are for our local government partners to implement. Our partners need adequate resources if we are to fulfil our ambitions.

The vast majority of the funding for primary and secondary school spending is provided as part of the annual local government finance settlement. As members know, the Government has worked hard with COSLA to provide settlements that are as fair as possible given the cuts that the United Kingdom Government has imposed on the Scottish budget.

Given that the Scottish budget is roughly divided into three, with health and local government sharing around two thirds of it and everything else having to be funded from the remaining third, and that the health budget has received a real-terms increase in each year, as set out in our manifesto, some very difficult decisions have had to be taken to maintain the local government budget.

Despite those pressures, local government has been treated very fairly under the Government. The local government finance settlements have been maintained across the 2012 to 2016 period on a like-with-like basis, with extra money for new duties. That has resulted in a total settlement of



over £10.6 billion in 2014-15, and that is set to increase to almost £10.8 billion in 2015-16.

We as a Government expect something in return for maintaining our funding in the face of the difficult financial situation. We have worked with COSLA to ensure that all 32 local authorities have frozen their council tax since 2008-09 and, as the cabinet secretary made clear in his opening statement, we are working with it to reach an agreement on what educational outcomes may look like.

Local authorities supplement their central Government funding with their locally raised council tax income, of course. Again, the Scottish Government has fully funded the council tax freeze by providing a new additional baselined sum of £70 million for each of the seven years of the freeze to date, from 2008-09, with a further £70 million being provided for 2015-16.

The committee will be well aware that there are no allocations of funding for specific services and that the vast majority of the funding, including funding in support of primary and secondary school education, is provided by means of a block grant. The Government does not believe in micromanaging how local authorities spend their money. It is the responsibility of individual local authorities to manage their own budgets and to allocate the total financial resources that are available to them on the basis of local needs and priorities, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities. However, we know that local authorities are budgeting to spend £4.6 billion on education this year. That represents 40 per cent of their total net revenue expenditure.

I will, of course, be happy to answer any questions that committee members may have about the local government funding settlement and allocations.

**The Convener:** I thank both of you very much. We will go straight to questions.

**Jayne Baxter:** Good morning. My question is pretty straightforward. Do you expect that there will be significant cuts to local authorities' school budgets in 2015-16?

**Michael Russell:** No, I hope that that will not be the case. Scottish Government funding to local government is set to increase from £10.6 billion this year to £10.8 billion in 2015-16. As the minister indicated, it is for local authorities to decide how to spend the resources that have been allocated to them. Ring fencing has virtually disappeared. I see no reason for such cuts. However, there is a strong argument for imagining and putting in place better ways of delivering. For example, I know that the committee has talked about shared services and such issues with

various witnesses. Local authorities could become ever more effective in delivering by taking those routes.

**Derek Mackay:** In addition, the new funding that has been announced that arises from political priorities such as the expansion in childcare and free school meals represents dedicated specific resources for those purposes that were negotiated with local government.

Councils are embarking on various consultation exercises on how to manage their budgets. Not everything that they consult on may come to fruition in the budget, of course. Members will be aware of the cycle. There is consultation, the Parliament approves final figures, and councils then set their budgets. They will look at a range of options, but we have no reason to believe that there will be the cuts impacting on local schools that Jayne Baxter suggests there will be.

Councils have aspired to meet their obligations and to commit to the new obligations that the Parliament has agreed. We have negotiated with local authorities and balanced the books, but the member will be well aware that that has been in quite difficult circumstances, with financial and cost pressures. How we have been able to protect local government has been significant. The picture south of the border is quite different. There, people have had the worst of all worlds. Budgets have been reduced and there have been compulsory redundancies and council tax rises. That has not been the case in Scotland. That said, of course there are significant pressures that I am sure we will explore as the day goes on.

**Jayne Baxter:** Thanks. That being said, how do you explain the perception of ADES, teachers unions and parents groups that there will be cuts? We heard that last week and we heard it again this morning. They believe that there will be cuts.

**Michael Russell:** We do not deny the challenging economic position, but we have made our position clear that the decisions that local authorities have to make are for them to make, within a budget settlement that is as generous as we can make it. My colleagues Mr Swinney and Mr Mackay work constantly with local authorities in that regard.

Of course, nobody could deny the pressure from Westminster on Scottish Government budgets, from the austerity measures that we have had and those that are, allegedly, still to come. If you read today's press, you will see that the Treasury has apparently been asked for £30 billion-worth of further cuts. We are not immune to that pressure. However, we have taken a deliberate approach, first, to remove ring fencing from the massively greater part of the budget, at the request of local authorities, to allow them to make their own

decisions. Also, we have ensured that the educational priorities are clear but have allowed local authorities to interpret how they deliver those educational priorities in their own way, which is the Scottish model. I think that that has been the right way forward.

There is more that local authorities can do to reimagine the delivery of education and to work across boundaries to make sure that it is delivered as effectively and as efficiently as possible. That is what I would encourage them to do.

**Derek Mackay:** Jayne Baxter will be well aware that education is a very large part of a local authority's budget. On average, approximately 40 per cent of total budgeted net revenue expenditure by local government is on education, in large measure due to staffing costs. You have to consider the education budget in the context of the overall financial picture. If there were no reductions at all in the education budget, you can imagine the impact that that would have on other services. We have to look at everything in the round.

I am very mindful, as I am sure all members are, of the Audit Scotland and Accounts Commission report on school education, which looks at deprivation as a factor in education. We have to consider all services and how they affect our young people.

As I say, there is a range of consultations and not everything that a council consults on comes to fruition. That will be a matter for the council; as it consults and engages with people, it makes the priorities that reflect the demands of local communities. We would expect such consultation to involve parents, pupils and staff.

**Neil Bibby:** Good morning, cabinet secretary. Good morning, minister. Cabinet secretary, the last time that you were at the committee, you said that you would like to maintain teacher numbers and, if possible, increase them. Do you stand by that comment?

**Michael Russell:** Yes.

**Neil Bibby:** Can we take that as a commitment that teacher numbers will be maintained in the coming year?

**Michael Russell:** I do not employ a single teacher, as you know, Mr Bibby. Teachers are employed by local authorities. You are also aware that the local authorities, led by a Labour councillor, Councillor O'Neill, have requested that the Scottish Government sit down with them and discuss outcomes in education because they have raised issues of teacher employment—that is from the letter of agreement on the matter.

The agreement that we have come to to have those discussions has a number of elements. We

have a present commitment to maintain teacher numbers in line with pupil numbers. You heard this morning the commitment from Councillor Chapman, who thought that that would be met in the current year. I was glad to hear that commitment, because it is for local authorities to meet it.

Local authorities want to discuss whether that commitment is simply one element within the mix and whether there are other things that they need to do. I have made it clear to local authorities that I am willing to have conversations but they cannot be held without the involvement of teachers unions, parents and others.

I have also made it clear that if no new agreement is reached, the commitment would continue to be, exactly as it is now, to maintain those teacher numbers in line with pupil numbers. I also said in my statement this morning that I do not believe that we can increase outcomes by reducing teacher numbers. That is where I stand and that is where I will continue to stand. Indeed, I think that that is where most reasonable people stand.

**Neil Bibby:** You are obviously taking part in those negotiations wanting to maintain teacher numbers. Previously, you said that, if possible, you wanted to increase teacher numbers. Will you provide local authorities with additional resource for more teachers?

11:30

**Michael Russell:** We already provide resource for local authorities to maintain teacher numbers: £41 million in addition to the normal settlement. We already provide a resource that is underspent, but we do not claw it back. We provide £37.5 million for probationers, of which councils presently spend around £21 million. The resources are there. I would love to have lots more money available for education, but that would require a different financial settlement from the one that we are in. However, my policy intention would be to maintain teacher numbers, which I think is important.

You should raise this issue with some others. You could start by raising it with Councillors Matheson and McCabe, the leaders of Glasgow City Council and North Lanarkshire Council, which are responsible for a quarter of the reduction in teacher numbers since 2007.

You should also reflect that, since I put in place the agreement with COSLA on teacher numbers matching pupil numbers, we have had a very small reduction indeed. I am as good as my word on this. I would like to do more. I hope that local authorities share my ambition. Perhaps you could

persuade your Labour Party colleagues to share that ambition.

**Neil Bibby:** It is quite interesting that when I am raising issues about education in Scotland, the education secretary turns round and says, "Raise them with somebody else."

**Michael Russell:** No, I do not say that. If you do not understand how Scottish education works, Mr Bibby, I am happy to tell you. The delivery of education is done by local authorities. That is what you are inquiring into, and I would have thought that you would have realised that. In those circumstances, there are a number of players. I am not the sole player in Scottish education, and I would not contend that. There are a number of players, and local authorities are a key player.

There is indeed a tripartite structure in place in Scotland, which involves trade unions, local authorities and the Scottish Government. They all have to be part of the process. I am suggesting to you that you should go and influence those parts of the process that you could also influence, which are the Labour authorities that have cut teacher numbers.

**Neil Bibby:** I started my questioning by reminding you of the comments that you made last time you were before the committee. You said that you wanted to increase teacher numbers, if possible. I am asking you whether you will provide additional resource for extra teachers.

**Michael Russell:** If possible, I would provide additional resource. Mr Bibby, you also support a system that has borne down on the Scottish Government's resource, so you should take some responsibility—

**Neil Bibby:** Are you now saying that it is impossible—

**Michael Russell:** You should take some responsibility yourself for the financial pressures that exist in Scotland. You campaigned recently for a system that drives down the Scottish budget.

You can shift in your seat all you want, Mr Bibby, but that is the reality. If you are prepared to work across party lines, with me and with local authorities, first, to secure the existing teacher number commitment and, secondly, to secure a desirable increase in teacher numbers, I am with you on that. Understand, however, that there are many players in that, and that includes those people who have driven down the Scottish budget.

**Neil Bibby:** We are not here to rerun the independence referendum, but if you have seen the price of oil, which you were calculating, all the resources of an independent Scotland would have gone down recently—

**Michael Russell:** You are still a friend of a system that is driving down the Scottish budget.

**Neil Bibby:** We are not here to talk about—

**Michael Russell:** You cannot avoid it, Mr Bibby.

**The Convener:** I will interrupt you.

**Neil Bibby:** We are not here to talk about the independence referendum.

**The Convener:** I will interrupt both of you. I do not want to rerun the independence referendum today.

**Neil Bibby:** Neither do I.

**The Convener:** I am sure that there will be plenty of opportunities to discuss that subject with the committee, but let us stick to the budget and to education, if you do not mind.

**Neil Bibby:** Cabinet secretary, you said that you would like to increase teacher numbers if possible. Are you now saying that it is impossible to do that?

**Michael Russell:** No, it is perfectly possible to do so, if the resources are provided. Recognise the realities of finance, Mr Bibby. Recognise the realities of austerity, which you have supported. Recognise the roles of Scottish local authorities—particularly Labour authorities that continue to drive down teacher numbers.

As I made clear in my opening remarks, we should try to work together. You have presented the figures in a partial and largely inaccurate way. I am trying to get the best deal possible because, as I have said, I regard teachers as exceptionally important to delivering education.

**Neil Bibby:** But you will not provide local authorities with more money for more teachers. It is all talk.

**Michael Russell:** When that money is made available in a suitable financial settlement, I will be delighted to provide it. Why do you not argue for the best settlement, instead of being an enemy of that settlement?

**Neil Bibby:** Why do you not argue for that in the Scottish Government?

We have heard concerns from teacher unions about a workload crisis among teachers, with the possibility of changing the length of the school day. We have heard about a lack of teaching supply. We have even heard concerns about the real possibility of children being sent home as a result of budget cuts and a lack of teaching supply. That is from the EIS. Will you give a guarantee that that will not happen? We have heard concerns that that might happen later this year.

**Michael Russell:** I would be delighted if you asked Councillor Matheson why he has reduced

teacher numbers in Glasgow while pupil numbers are rising.

I want an agreement across Scottish education that provides the best possible teacher numbers and outcomes. That is what I am trying to achieve. However, the committee must remember that all such matters are a resource issue and that resources are being borne down on by the Westminster Government. My colleague Mr Mackay is—along with Mr Swinney—having to manage a budget that is under endless pressure from Westminster.

If Mr Bibby is prepared to stand up and argue for more money that can go into education because we have a larger budget, that is all well and good. If he is prepared to argue that there are areas of the Scottish budget where money should not be spent so that more money can be put into education, he should tell his colleague on the finance side—whoever that is—who will be arguing with Mr Swinney soon and who I hope will bring forward such ideas. By all means, Mr Bibby should help to put those things in place.

We have made substantial progress on workload over the past year because, instead of talking about it in the empty way that I have heard from Mr Bibby and his colleagues, I set up a workload group with the agreement of the EIS, on which the unions were all represented. We produced a major document that has been distributed to every school. The unions accept that that is the first significant step forward on workload that they have ever had. I will go on doing that work.

My colleague Alasdair Allan convenes the group, which met recently and agreed about further actions that it needs to take to drive forward the workload issue. We are taking significant action to assist Scottish teachers with their workload.

**Neil Bibby:** I suggest that you read the evidence from the teaching unions and parents organisations about workload, if you have not done so. If you think that workload has been addressed, you are not in touch with what is happening in our classrooms.

**Michael Russell:** I meet the teaching unions every few months and I am meeting the EIS again this week. We always talk about workload and we always reflect on the progress that has been made. The CFE reflections report dealt with workload. We are making substantial progress and the unions say that we are making substantial progress.

**Neil Bibby:** Local authorities and education services are under pressure. You mentioned that local authorities might share services. Do you have any suggestions on where local authorities

should make savings in education that they have not already made?

**Michael Russell:** I am keen to see innovative service delivery from local authorities. Stirling Council and Clackmannanshire Council operate a joint education department, which spreads the expenditure load. I regret that that is the only one. I saw that, when the committee was asking questions earlier, Mr Adam raised the issue of shared services across local authorities. That has not been taken forward in the way that it might be and is one area for potential savings.

Other interesting things are taking place in Scottish education, which is full of innovation. Members will have seen at the weekend an account of the virtual Allan Glen's hub that is being set up to promote science education in Glasgow. That is a useful project.

Members might not have seen the work that Glasgow Caledonian University has been doing on encouraging a coming together on the advanced higher. There are many ways in which people can share and pool resources, not just to share the cost burden but to create something that is greater than the sum of its parts. I commend the fascinating Glasgow Caledonian University initiative on achieving the highest possible educational outcomes for people studying advanced highers. There are lots of possibilities.

I encourage an imaginative approach to delivering education in Scotland and I will be a friend of that where it takes place.

**Derek Mackay:** There is much room for improvement on the shared services agenda, but the Scottish Government cannot compel local authorities to follow it. We can ensure that any barriers to shared services, collaboration and co-operation are removed and that the conditions are there to promote shared services not just in education but across the broad range of council services. If savings were realised in other departments, local authorities could redirect money to the education budget. There has been progress on shared services outwith education—in roads and waste, for example—and a few initiatives in education, but local authorities need to look at the shared services agenda more imaginatively.

Some years ago in Mr Bibby's area—West Scotland—the Clyde valley collaboration involved eight local authorities working together. It gave them huge spending power and huge capacity to identify shared services, but few workstreams went forward. That was not because of the actions of the Scottish Government or anyone else; it was for the leaders involved to decide what went forward and what did not.

There are no barriers to shared services. Audit agencies have said the same thing. The Government has provided the conditions to progress with shared services and we could realise further savings in local authorities and other public services if there were more shared services. That is partly where community planning comes into play; by aligning resources, working together and maximising the spend of the public sector at a partnership level, we can do more with the same resource. That is the challenge that we face with the existing resources and the Westminster-based budget reductions.

Parents groups and others are right to identify shared services as a potential way forward, but nothing is stopping local authorities getting on with merging management structures and focusing on procurement and best practice. We have provided a large measure of budget protection against the reductions that other parts of the Scottish Government's expenditure have faced, and it is imperative that local authorities support the agenda and take advantage of opportunities that might have been missed in the past, but that is a matter for them. If we start to compel them, we can guarantee that that will not work. The approach has to be organic and it has to be for the local authorities to choose what works best in their areas.

**The Convener:** We have a brief supplementary from Liam McArthur.

**Liam McArthur:** It is not all that brief.

**The Convener:** I would prefer it to be brief.

**Liam McArthur:** We started with an opening statement that suggested, rather patronisingly, that in 2007 we reached a year zero when education was going to hell in a handcart. We were then treated to the usual narrative that it is all Westminster's fault, to which we have added Councillor Matheson, Councillor McCabe and even Neil Bibby on the list of culprits. However, ADES made clear in its evidence that new burdens have been placed on councils. It welcomes the advances in childcare provision, but there is no doubt that they have created new burdens.

The financial memorandum on extra childcare provision was absolutely hammered by the Finance Committee, and the capital provision issues were called into serious question. Would you suggest that, in that respect, the Government has placed additional pressures on local government, or was that, too, the fault of Westminster—or of Councillor McCabe, Councillor Matheson or Neil Bibby?

**Derek Mackay:** When the Government or the Parliament commits to a policy that places a burden on local authorities, we negotiate with

those local authorities through their umbrella organisation, COSLA, to arrive at the global sum and to agree how that will be distributed among the local authorities on whatever basis is deemed appropriate. Surely it would not surprise Mr McArthur to know that local authorities sometimes produce different figures for the Scottish Government, because we are in a process of negotiation. Sometimes, those cycles are at different stages, and we might have a different methodology and a different approach. Some of the negotiations might well involve each side trying to protect its interests.

What matters is that we reach a resolution and deliver the policy. On measures such as free school meals or childcare, or whatever it happens to be, we reach resolution in partnership with local government. Crucially, we agree it and then we agree the distribution methodology for sharing the sum across the country to achieve the purpose.

In any negotiation, there will be a difference; people will naturally pitch for the best that they can get, which might sometimes lead to friction, but the style of our negotiations is as different from what local government enjoyed under any previous Administration as night is from day. It is in the spirit of partnership, following on from the concordat, that we will settle on a figure that ensures that the policies are fully funded. They are new burdens and they will come with new resources to ensure that they are delivered.

**Liam McArthur:** That is interesting. In listening to that, I was reminded of the words of the former Nottingham Forest and Derby manager, Brian Clough, who said:

"We'd talk for 20 minutes, then decide I was right."

Another issue that Larry Flanagan raised last week relates to the Government's priorities. Priorities are for any Government to determine, and the Scottish Government has placed a priority on a council tax freeze. As Mr Flanagan pointed out, that places additional pressure on local authorities and considerably reduces the money that the Scottish Government has to fund services, whether in education, health or any other area. That is not the fault of Westminster or of Councillor Matheson, Councillor McCabe or Neil Bibby—it is a pressure that the Scottish Government has adopted through its political priorities and which has a bearing on where you have money to spend and not to spend.

11:45

**Derek Mackay:** Mr McArthur is right that that is a policy choice. Of course, we have a mandate from the Scottish electorate to deliver it. We should put the £70 million of compensation into the perspective of a grant of more than £10.8

billion to local authorities. Local authorities can choose not to freeze council tax—they do not have to do it—but they will not get the compensation. That is significant. Some local authorities would have proposed not increasing the council tax anyway, for the good reason of protecting hard-pressed households.

I am convinced that the overall budget settlement for local authorities has protected front-line services from the worst ravages of Westminster reductions. We can see the difference south of the border. I make the comparison simply for information that, south of the border, there are compulsory redundancies, service reductions, a council tax increase and the removal of reductions that have helped the most vulnerable. That takes us back to the point about deprivation. It is important to have quality school buildings and quality education but, if children are brought up in a cycle of deprivation, that certainly does not help with educational achievement and attainment.

In our policy choices, we have protected health spending—as we stated that we would do in the manifesto—and next we have protected local authority budgets. I repeat that the local authority budget will grow in cash terms. There will be new burdens, which relate largely to education. I do not deny that there are cost pressures—of course there are, and of course they have consequences. The Government will take responsibility, but it should get some credit for making decisions that have ensured that more pupils are in good-quality buildings and which have protected front-line services in difficult circumstances.

**Liam McArthur:** You mentioned sanctions in relation to the council tax freeze. The sanctions that were in place in relation to teacher pupil ratios have been lifted. If the logic behind lifting sanctions in relation to the latter is sound, do you envisage circumstances in which the sanctions in relation to the council tax freeze may be lifted in due course?

**Michael Russell:** To correct that, the sanctions relating to teacher pupil ratios have not been lifted; they have been suspended while we have a discussion about—*[Interruption.]* Mr McArthur laughs, but there is an important difference between “lifted” and “suspended”—it is not just semantics. The sanctions have been suspended while we discuss outcomes, but the letter of agreement makes it clear that, if there is no agreement on outcomes, the sanctions will continue.

The sanctions have therefore not been lifted. They will not be operated while we have the discussion, but they apply to this year. We have been prepared to be generous and flexible in these matters. We have worked in partnership with

local authorities to preserve teacher numbers and we have succeeded in doing so in the past three years, after a difficult period until then. That is the reality of where we find ourselves.

**Derek Mackay:** I am sure that Mr McArthur and Mr Bibby support localism. Liberal Democrat and Labour councillors and their leadership in COSLA are demanding that we focus on outcomes and not specifically on the input of teacher numbers. That is valuable and important, but we will look at the flexibility and see where that gets us.

The arrangements will absolutely stay in place unless we reach an agreement that has all the criteria of success that have been laid out. The Labour Party and the Liberal Democrats are saying something completely different in local government from what they say in this Parliament.

**Liam McArthur:** The sanctions on the council tax freeze and the gun to the head are not supported by COSLA or local authorities.

**The Convener:** Mr McArthur, you will have opportunities to raise that. George Adam is next.

**George Adam:** The National Association of Schoolmasters Union of Women Teachers set the narrative for the debate when it said in its submission to us:

“the draft budget of the Scottish Government is in the context of the Westminster Government’s flawed economic strategy of ideologically driven cuts to funding.”

That gives us challenges that we have to face, because we have accepted the result of the referendum on 18 September and we are moving on as the Government of Scotland to deliver for the people of Scotland.

In evidence to the committee, Iain Ellis of the national parent forum of Scotland asked whether having 32 councils is the best way forward for education. ADES also referred to that when it said that it has

“developed a range of ideas that suggest system-wide change provides a more sustainable approach”.

We have talked about shared services as well, and I am aware of the Clyde valley model, which was much touted during our time as councillors, minister. Obviously, it did not come to fruition.

Everybody is saying, “Let’s have the conversation.” My question is: why are we not having the conversation about finding a radical other way to deliver shared services and make sure that they work?

**Derek Mackay:** The Government has been clear that we want public and local authorities to be free to work across boundaries. The boundaries are arbitrary. If local government were to be designed now, nobody would design it to be the way that it is today. It is a construct of previous

Tory gerrymandering. However, the energy, the years and the court battles that it would take to redraw local authority boundaries would not be worth the effort, when all our focus and energy should be on productivity and the outcomes that really matter, rather than on boundary disputes.

Local authorities can work across the boundaries, and we have made it clear that there is an imperative to do so. The commission on strengthening local democracy suggests that there should be more councils and more councillors, not fewer councils and fewer councillors. The Government's response will continue to be to have discussions with COSLA and other key stakeholders but, as has been the case, we propose no boundary changes to local authorities. At the same time, we absolutely support the drive for change in new ways of working, how we conduct our business, how we share services, how we procure services and how we involve people. Further work on empowering our communities will be forthcoming in the Community Empowerment (Scotland) Bill.

The structural change that is being proposed does not include changes to council boundaries, but there is nothing to stop directors changing management structures and how local authorities work with each other. That is very empowering.

We look forward to the committee's conclusions and recommendations on radical thinking. I can inform Mr Adam that COSLA has not brought to the table the restructuring of education along the lines that the committee has heard about in evidence yet, although that is not to say that such a discussion cannot be had.

**Michael Russell:** There is great freedom in Scottish education to innovate and create different structures. There is no one-size-fits-all approach in Scottish education—it is absolutely untrue to say that there is.

There have been interesting proposals in recent years, such as the East Lothian proposal of a hub structure to develop local responsibility in education. I am keen to encourage innovation in delivery, particularly when it can continue to drive up attainment while at the very least restraining cost and possibly making delivery more efficient. I am keen for that to happen.

In the previous parliamentary session, the committee spent time looking at structures. It came to the not very significant conclusion—although not for want of trying—that there was no silver bullet for educational structures that would produce better outcomes for young people, which are what we should judge structural changes by. However, there is lots of scope for experimentation and for different models to develop. I am keen for that to happen.

The Conservatives recently published a booklet; to be fair, some of it is mince, but some of it has the germs of good ideas. We could easily see more innovation taking place. We should encourage it to take place and I am happy to encourage it. We should be open to more innovation. However, innovation would be greatly strengthened if the committee and the Parliament found a cross-party way to encourage it, just as we found a way forward across parties when CFE was difficult.

**George Adam:** On engagement with parents, one fact that came up at last week's evidence session was that parents felt that they were an afterthought for local authorities in the budget process. Coming from a local government background, I know that it can be quite challenging to give them the information when you need to. However, parents felt that, if they were involved at an earlier stage, they could contribute a lot more. I think that it was Iain Ellis who said that, so that parents could understand what was coming forward,

"councils should get into conversations very early with parents and be up front with them".—[*Official Report, Education and Culture Committee*, 4 November 2014; c 16.]

I have experience of something that we did at Renfrewshire Council after we had learned a few lessons, and I can say that it was a good thing to do. However, if parents are still saying that, it is obvious that we still have some difficulties.

**The Convener:** Please be brief, minister, if you do not mind.

**Derek Mackay:** Mr Adam makes a very fair point. Although it is good practice for a local authority to embark on a comprehensive consultation exercise that sets out choice, that is not necessarily empowering, because the parents, the pupils and indeed the staff still have to wait to be consulted. The bill will change that. Of course, practice could be changed right now, but the bill will empower communities to initiate engagement and consultation on their terms instead of waiting for individual authorities to consult them. Not only is that quite empowering but it allows a new engagement mechanism to be implemented.

The best authorities will engage early, offer people choices and then report on that in a transparent way. Of course, the danger then is that some people might misrepresent the choices that have been offered, which is not helpful when we are trying to have a free debate about what matters and is important to parents.

Choices can also be offered in other areas, and that is all very healthy in allowing local authorities to make the right decisions.

**Mary Scanlon:** I do not usually walk away from a rammy, but the fact is that I am not really looking for one today. Instead, I am looking for some help in understanding all this and I hope that, as a committee member, I can, along with my colleagues, contribute to some radical thinking. I also want to put on record that we want to work with Government. At the end of the day, we all want the same thing: excellent educational outcomes for pupils in Scotland.

A focus on the number of teachers is helpful and important, but it is not the answer to everything. As a Highlands and Islands member, I know of schools that have 11 pupils and one teacher. That might sound wonderful, but the classes that those 11 pupils are in range from P1 to P7, and that one teacher has to cover everything.

I am very pleased that both of you are working up agreements with COSLA, because that is what I am looking for. However, I am a member of both this committee and the Public Audit Committee, and my problem is that, as Audit Scotland has commented in its "School education" report,

"there has been no independent evaluation of how much councils spend on education and what this delivers in terms of improved attainment and wider achievement"

and

"there is no consistent approach to tracking and monitoring the progress of pupils from P1 to S3."

I am not saying that that is not being done; it is just that the approach is not consistent. Moreover, I ask the ministers please not to think that I am asking for more tests—I am not. I also note that on page 19 of the same report, Audit Scotland has said:

"S2 pupils performed significantly worse against the standard expected ... in numeracy in both 2011 and 2013",

and the situation is the same for primary pupils.

Finally, I am beginning to get some information about attainment. In the 10 years to 2013-14, 16 local authorities improved while 16 did not. I know that there is no little magic bullet that can deal with all of this, but I want to ask, as a reasonable contribution to the debate, whether you are aware of the areas in education where spending needs to be made. Where should spending be focused to achieve the best outcomes for our pupils?

**Michael Russell:** That was a very helpful contribution, and I want to be very positive about it. You have picked up two areas where we need to do more work. I do not think that there is any doubt about that, and the report that you referred to has been very helpful in that regard.

The correlation between spending and outcomes is not clear enough in education. That is, to some extent, inevitable, because of the system that we have. The education system in any

country has grown up over a long period of time, but that is particularly the case with a history of education as long as ours. We started with the parish school system, and what we have now is local accountability writ much larger in local authorities. That has made things quite difficult, because sometimes it does not allow us to focus as closely as we should on knowing what is happening. We need to do more on both of those areas.

However, we also need to understand clearly the context in which we do that. After all, there are things that we know now that we did not know two years ago. We have a system for tracking and monitoring individual pupils that accrues to schools through three things. The first is the inspection regime, and we can talk later about how that works and whether we need to do more on it; the second is the national examinations, which give us an understanding of how pupils are doing on an individual and collective basis; and the third is things such as our biannual survey of literacy and numeracy. The first two approaches give us an indication for individual pupils, for schools, for local authorities and for the nation as a whole; what we get from the surveys of literacy and numeracy is a little different.

12:00

The bigger picture that PISA provides does not show us in direct comparison with other nations—there is a slight misunderstanding in that respect about what PISA does. Instead, it highlights how education is developing and changing over a period of time and where the broad correspondences are. It is not possible to use PISA to make exact comparisons between nations, and it was not designed for that purpose.

All those things are in place, but we need to drill further down into the issues. With the attainment partnerships—I am launching another stage of those on Thursday—we are getting right down into the areas where we know that there are difficulties and attacking them at the individual pupil level.

A good example can be found in Bellshill academy in North Lanarkshire. The school knew that, for its S5 cohort, attainment in relation to the local authority average for higher passes was lower than it should have been—I am sorry that this explanation is slightly lengthy, convener, but I think that it is important. There is a comparatively small—indeed, a very small—number of pupils in that particular cohort. That is one example where you know you need to improve for individual pupils, who need more and better passes, for the school, for the area and for the local authority, and you can focus very narrowly on individual young people.



When I went to see that improvement partnership, I discovered that it had started with just one pupil who had particular difficulties. As it turned out, the issue was a very simple one: she had nowhere to study in the evenings. The partnership worked with the family to get the pupil somewhere to study, and that began to drive things up. It then moved on to three, then 10 and finally 17 pupils, and by working with that group, it improved not only the pupils' individual attainment—their pass rates—but the pass rate of the whole school, which benefited the local authority and, by extension, the figures across Scotland. We are getting much better at making those kinds of microcosmic changes that have big impacts. We can encourage more of that type of work, but I must point out that it is intensive and expensive.

I can highlight a number of other things that are happening. The Organisation for Economic Co-operation and Development's examination of curriculum for excellence, which is happening next year, will be germane to all of this, and there is Education Scotland's "How Good is Our School?", which is all about self-evaluation. The Scottish inspection system is based first of all on self-evaluation and constant improvement.

Local authorities, too, are ensuring that certain things are happening. We have something that I believe is now called insight—is that right?

**Fiona Robertson (Scottish Government):** Yes.

**Michael Russell:** It used to be called the senior phase benchmarking tool—sometimes these things change all the time. However, it is really significant, and I am very happy for committee members to come and see it, because it makes it possible for us to measure in quite some detail what is happening in individual schools and, indeed, in individual classes and with individual pupils, and to compare that information not just with the national or local authority standard but with a virtual school with the same characteristics. That is important with regard to the impact in the area where the school sits. We—in fact, not us, but schools and teachers—can look at that and ask, "Are we doing well enough?"

A complex mix of things is happening. Sometimes you cry out for a simple route to change in Scottish education, but the fact is that the delivery of Scottish education is complex because of what has accrued over many years. All the things that I have highlighted are taking us forward in attainment, but they are under threat from the constant pressure on budgets. If we can do better and be more wise at spending money—which is exactly the first point that you made—we will get more from it.

**Mary Scanlon:** I have a final question, convener. I take the cabinet secretary's point about individual support; I welcome the moves that he has highlighted, which I think are important, and I thank him for his positive answer. However, I am concerned by the comment in ADES's submission that

"the level of support ... e.g. support assistants, breakfast clubs and study support ... auxiliaries, after-school care, sports, culture and leisure clubs, may well be reduced".

It also talks about reviewing

"vocational options, course offerings and links with colleges"

and removing

"management, development, quality improvement and support".

I appreciate that there is pressure on budgets, but my concern is that the cutbacks are happening before we know exactly what works—the example that you gave seems positive—and where we should be spending money to get the best outcome. I am concerned about the fact that we are looking only at teacher numbers and not at the activities that I just mentioned. Are we cutting back on the easy options? A lady last week talked about "frills", but I do not think that support assistants are frills. My concern is that we are cutting back on exactly some of the areas in which we should be increasing investment.

**Michael Russell:** As I said earlier, local authorities need to think carefully about how they take forward any changes to the education system. They need to recognise where the strengths lie. For example, we are not cutting back on vocational education activity; we are providing additional funding. The Wood commission report, which is largely about vocational education, is having additional funding applied to it. I would simply say that we should be cautious about a whole range of those things.

**Mary Scanlon:** I read from—

**Michael Russell:** I know, and I am by no means criticising you; I am just saying that we should be careful. As Derek Mackay indicated, we often see proposals that are floated but which are not acted on, and, sometimes, different solutions are provided.

We are pretty focused on the improvement partnerships and the attainment work. I think that we know that they work. We are not skimping on them in any way. We have been very focused on CFE as the vehicle for continued educational improvement and I have told this committee repeatedly that we have found additional resource for that, so we are focused on important things. However, inevitably, at times of pressure, there will be hard decisions to be made.

We have seen improvements in Scottish education. The challenge is to maintain those improvements. That is the re-imagining that we have to do. However, I also think that we know more about what works than we did perhaps even five years ago, because of the thinking and work that we have commissioned and done.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** I want to explore some of the comments that have been made about national decision making versus local decision making in terms of the budget. For example, COSLA states that local decision making about budgets and service delivery is necessary if outcomes are to improve. Others have mentioned the possibility of ring fencing parts of budgets and having a national set of parameters. Someone also queried whether we need 32 local authorities to deliver education.

Do we have the right balance between national and local decision making in terms of spending on schools?

**Derek Mackay:** I am hardly likely to say that we have got the balance completely wrong but, in all honesty, I think that the balance is correct in relation to what is provided nationally, which includes national safeguards in the areas of assurance, inspection, quality, examinations and qualifications, and what is overseen locally, which involves the school estate and infrastructure, the deployment of staff and the matters that are devolved to headteachers through school management budgets, because there is that further layer of devolution, within the parameters of necessary expenditure.

I think that I covered the issue of the 32 local authorities in my answer to Mr Adam. There are many good reasons for redesigning local authorities, but the necessary energy, commitment and cost involved in doing so would mean that we would take our eye off the ball in terms of what really matters, which is outcomes. The challenge is to be creative and deliver those new ways of working within the existing infrastructure in order to deliver change on the ground.

You might say that the Government or a panel can call in and consider decisions such as those around school closure, but that approach is the exception rather than the norm and ensures that the checks and balances are there and that the decision has been taken correctly, given the available information, the process and so on. However, on the big picture with regard to education, I think that the balance is broadly right from a local government perspective.

Local authorities, through COSLA, may argue for further empowerment, and that discussion will happen. Others may argue for further

centralisation, regionalisation or whatever—I have looked at the evidence that has been presented to the committee—and we can certainly have a conversation about what works best, but what has precipitated the discussion is the financial challenge that we all face. It is not the case that money absolutely connects to outcomes or attainment. It is far more sophisticated than just that.

**Michael Russell:** You can imagine, Mr Beattie, better ways of delivering that are more effective and efficient. An example in your constituency is the new Lasswade school, where a lot of community activities have been brought together into a single building. If I remember correctly, it has 17 per cent less space, but lots of things are happening and it is open from 7 o'clock in the morning until 10 o'clock at night. It is also a more efficient building, so expenditure on a variety of things will be lower.

Capital has been required for that, but a different way of doing things in the community has been imagined, and it has been done. I believe that it could be done elsewhere. It will not necessarily be that exact model, but delivery and local decision making can be reimagined. It is within the power of local authorities to do that.

**Derek Mackay:** I add a brief point about finance. School buildings are important. Previously, the only game in town was PPP/PFI, which tied up education budgets in servicing the payments. Now, there is far more flexibility in relation to capital through Government schemes, prudential borrowing and other ways of delivering new or refurbished schools. That is just an example of how we have opened up opportunities for local authorities to improve their school estate.

**Colin Beattie:** The EIS mentioned that it would like to see a set of parameters that would establish national minimum requirements. I think that that goes back to some sort of national staffing standards. Do we need a clearer set of national parameters?

**Michael Russell:** I would require to be persuaded that that would be helpful in all circumstances. I can see the argument, and it is particularly true in areas where people feel that they have less than they need, but in certain circumstances we might find ourselves in a straitjacket, which would be unhelpful.

I have had the conversation with the EIS, and I will continue to have it. Others have believed for a long time that national staffing standards are the right way forward. I think that they might turn out to be very inflexible and that there will be better and more flexible ways of ensuring continued excellence.

**Clare Adamson:** Good afternoon, cabinet secretary and minister. My question is on the national performance framework and the part that it plays in education. What evidence is there to demonstrate that it has helped to improve outcomes in schools? How does it inform spending allocations for both the Government and local authorities?

**Michael Russell:** The national performance framework needs to be seen within the context of all the measures that we employ. I am sorry to reintroduce complexity, but we have a system that has grown up over many years, and many things drive it. The national performance framework provides part of the framework to allow us to work constructively with local government. It focuses us on shared outcomes so that we know the priorities that we have.

Under the Standards in Scotland's Schools etc Act 2000, ministers are charged with securing

"improvement in the quality of school education".

The national performance framework is one thing that allows us to do that—it drives the outcome agreements and focuses us on things that we need to achieve—but there are many others. We also need to be mindful of inspection reports, the national priorities that we set and schools' own priorities, because each school has a substantial degree of autonomy and its own ambitions.

If we look at how we have done in education, it gives us some guide as to where we are. We are maintaining our performance on educational attainment, on the percentage of school leavers in learning, training or work and on positive destinations. Even in times of difficulty, we need to keep in mind that those are important things. The national performance framework is part of, but not the complete structure for, how we assess things.

A final important part is how young people believe their education is serving them. I am more and more of the view that we need to be asking and listening to young people and that they need to be co-decision makers on how we deliver. The event that we held yesterday as part of the planning process for the children and young people summit persuaded me ever more strongly that that is what we should do. A young lady was there who had done work experience for Jayne Baxter. I was impressed by her. Indeed, she is more than capable of saying what she wants to see happen and how that should happen.

We have a complex mix. The Scottish education is about making sure that the complexity leads to the richness of outcomes that we want for all our young people.

12:15

**Clare Adamson:** The minister spoke about autonomy in local authorities and how they must be able to respond to local circumstances and be responsive to their communities. However, the parents organisations gave evidence about a lack of transparency and councils not having a full understanding of some of the benefits in the areas that you are talking about. Is there some way that the move towards outcome agreements could make local authorities' processes more transparent for pupils and parents?

**Michael Russell:** There should be. I am a great believer in complete transparency in such matters. There is absolutely no point in endeavouring to keep things from people for two reasons: first, that is wrong; secondly, it does not usually work. Therefore, in all those circumstances, there should be and I want to see a transparent process. The Scottish Schools (Parental Involvement) Act 2006 was based on such transparency and openness. However, if we need to do more on that, we should do more.

**Derek Mackay:** The first question was about the national performance framework. That is the menu from which community planning partnerships recognise and choose the outcomes and then the indicators that are most important to their area. That is the basis for the single outcome agreement, which is the deal involving the community planning partnership in its public service entirety, with a plan for place, local place and the deal with Government and the asks. Combining those elements, it focuses on measures other than just gross domestic product such as general wellbeing, which is important to our young people and the conditions and environment in which they grow up and learn. Achievement and attainment is a part of that, ensuring that young people then go on to successful employment and so on.

Behind all that is how we arrive at that position. That is about good engagement and involvement with the community. As it happens, tomorrow I will be before the Local Government and Regeneration Committee to look at how we strengthen the accountability and transparency of community planning partnerships, so that the community has a greater say and that it can hold people to account. That will apply not just to education but to all public services. That relates to the subject you raised of transparency and involvement and the fact that some people think the processes are flawed.

We want to shift the balance of power away from the state and institutions to communities, so that they are able to challenge them at a point and time of their choosing rather than when someone chooses to consult them. That may help areas in

which there is friction about a lack of proper engagement. As I say, that will apply not just to education but to the whole gamut of the public sector.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** We have touched on the subject of consultation and we have heard that some of the parent and teacher organisations are concerned about the lack of transparency in setting individual local authority education budgets. Cabinet secretary, will you outline the process that leads up to the publication of the draft budget and, particularly, how outside organisations can contribute to the discussions on education allocations?

**Michael Russell:** That is outwith my pay grade—it is a matter for John Swinney, the Cabinet Secretary for Finance, Employment and Sustainable Growth, and Mr Mackay. I know that that takes place, but that is all that I can say.

**Derek Mackay:** I have to say that that is also outwith my pay grade but, given that Mr Swinney is my boss and I am under his portfolio, I should have a bash at answering the question.

We are in the process at the moment. Mr Swinney engages a range of people outwith Government in order to make budget considerations and then presents the draft budget to Parliament. We are now in a formal period of consideration and consultation. That involves political parties and other stakeholders, including business, trade unions and a range of other people that the finance secretary would meet. We then have a debate in Parliament, which is when members have their say if they have not already engaged. There is on-going scrutiny in that process.

Before that, it is for the finance secretary to meet people as and when required not least to discuss education, which is this committee's interest, but to discuss local government in arriving at a budget proposition that he then presents to Parliament. In that process, local authorities would be represented through COSLA on their budget requirements, needs or demands—however you want to describe them. It has been the case that Mr Swinney has reached agreement with local authorities through COSLA on what has been proposed. That is, of course, subject to parliamentary approval.

I suppose that what happens at the same time with local authorities is more interesting. They are considering their budgets right now. Some may choose to set them early, but most will wait until February when Parliament has executed its duties, approved the budget and made the order to release to each local authority the cash to set the

budget. Local authorities normally set their budgets formally in February.

It is, of course, important to understand what is going on in the world of local government as well as in the Parliament in arriving at decisions.

**Michael Russell:** Budgets are the expression of policy intention and policy activity. To that extent, the process is on-going and continuous. My published diary indicates how often I meet trade unions—I do so every three to four months. I meet parents organisations, and I am in schools on a weekly basis; indeed, sometimes I am in schools several times a week. I know the stakeholders intimately. The process is therefore continuous.

There is also a formal consultation process that John Swinney will lead. Whether I would be formally involved in that process would depend on the issue. For example, I might well accompany the students if there was an informal meeting on student finance issues. There would be written submissions on other issues. That is quite common in the budget process. I would see those submissions, but they would mostly be directed at Mr Swinney.

There are also political and Cabinet discussions of the budget. That process is extensive, and I will, of course, be in there arguing for what I believe to be right.

**The Convener:** I want to ask a question that came up when we took evidence last week, when there was an exchange with our witnesses on additional support needs. Evidence was given and comments were made about the ASN cuts. We know from the figures that ASN staff have gone up by 8 per cent over the past few years. Do you have any comments on that? Can you explain the rather confusing issue about the number of pupils who are categorised as being necessarily in receipt of that additional support?

**Michael Russell:** The rights that we have given to parents and pupils in the area are significant. Tribunals and other things give clarity on them, but let us see whether we can bear down on the numbers.

Prior to 2010, only pupils with certain specified plans or pupils who attended a special school were recorded as having additional support needs. That does not mean that other pupils did not get help, but pupils were recorded formally in that circumstance. In 2010, the definition was extended to anybody who received additional support. They did not need to have the plan or be in a special school.

Therefore, there has been a large increase in the figures since 2010, because we widened the definition, which was the right thing to do. There are additional staff, but there are now strong legal

rights. Even if local authorities were minded to cut them, I do not believe that they would be able to do so because of the rights that can be and are expressed by parents.

I am always looking to find ways to continue to help those who have most difficulty with learning, but we have worked very hard in that area to make things happen. Some 95 per cent of those pupils learn in mainstream schools, which is very positive. I recognise that the unions have an argument that the teachers in those mainstream schools must be supported as well as possible. We try to do that, too.

**The Convener:** Yes, but you recognise the exponential rise in the number of children who have been identified in that category.

**Michael Russell:** Yes.

**The Convener:** Given the comments that you have just made about the legal rights that parents and pupils now have, is there any thinking or hint that that is driving the increase in numbers and not that there has been a change and more pupils need the support?

**Michael Russell:** There is greater awareness. You will find that, when focus is put on any issue, its profile is raised and legislation exists for it, parents' awareness of it will rise. Parents' awareness that the issue addresses their child and that they want help with it will rise. Our ambition should be to ensure that parents get what they seek and what young people need without the difficulties that are sometimes in their way. We continue to have that ambition. That is what we are trying to do.

The Education (Additional Support for Learning) (Scotland) Act 2004 was amended, of course. We make an annual report to Parliament. We are making progress on the matter, but there is heightened awareness.

**The Convener:** Thank you very much. The final question is from Liam McArthur.

**Liam McArthur:** My question is slightly off the beaten track in this meeting. I assure you that it is within your pay grade, but it does not relate to school education. Obviously, if you need to write to the committee about it, that will be entirely appropriate. It is about higher education student support.

I note that the figure in the budget for net students loans advanced is £468 million for 2014-15 and for 2015-16, but the cost of providing student loans—the resource accounting and budgeting charge—has leapt from just over £180 million to £302 million. Does that £302 million represent the cost of providing the student loans?

**Michael Russell:** I will need to write to you about that. The official I work with on that—Andrew Scott—will need to give you the full explanation. If you will allow me to write to the committee, I will be happy to give a detailed answer, and if there are still questions after that, I will be happy to meet you to discuss the issue further.

**Liam McArthur:** That is very helpful. I understand from the student support statistics that the RAB charge on loans is around 29p. That suggests that the loans advanced are around £1 billion. I do not think that anybody is arguing for that, but the National Union of Students Scotland is quite clear that there is a case for changing the terms and conditions. The threshold could be raised closer to the £21,000 that applies in England and Wales, as opposed to £16,000 or £17,000, and there could be a payback period of perhaps 30 years as opposed to 35 years. You could perhaps provide the committee with your thoughts on that.

**Michael Russell:** I will put on the record what Fiona Robertson has helpfully given me, which we will have expanded on. The £120 million increase in the costs of providing student loans—the RAB charge—is a result of the consequential arising from the 2010 United Kingdom spending review, when higher tuition fee loans were introduced in England. That takes us partially there, but we need a full explanation.

**Liam McArthur:** That explains the genesis, but does not necessarily explain whether that is the cheapest—

**Michael Russell:** Yes, we will write to the committee. If there is any further questioning to be had, I will be happy to meet the member or other members of the committee.

**The Convener:** That is very helpful.

I thank the cabinet secretary, the minister and, of course, the officials for attending the meeting. That concludes our oral evidence on the draft budget. We will report our findings to the Finance Committee in due course.

I suspend the meeting briefly to allow the witnesses to leave.

12:27

*Meeting suspended.*

12:28

*On resuming—*

## **Subordinate Legislation**

### **Convener of the School Closure Review Panels (Scotland) Regulations 2014 (SSI 2014/262)**

### **Members of a School Closure Review Panel (Scotland) Regulations 2014 (SSI 2014/263)**

### **Royal Conservatoire of Scotland Order of Council 2014 (SSI 2014/268)**

**The Convener:** The next item of business is consideration of three negative statutory instruments. Members have a paper from the clerk that sets out their purpose. The Delegated Powers and Law Reform Committee considered the instruments and had no issues to draw to our attention.

As members have no comments to make on any of the instruments, are we agreed not to make any recommendation to the Parliament on any of them?

**Members** *indicated agreement.*

**The Convener:** As the committee agreed to discuss the next two items in private, I close the meeting to the public.

12:29

*Meeting continued in private until 12:51.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

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