

DRAFT EDUCATION (SCOTLAND) BILL

DRAFT FINANCIAL MEMORANDUM (DRAFT 26 JUNE 2018)

INTRODUCTION

1. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.
2. It is the aspiration of the Scottish Government for Scotland to be the best place in the world in which to grow up. The Scottish Government's defining mission is to improve the education and life chances of children and young people by closing the unacceptable gap in attainment between the least and most disadvantaged children, and to raise attainment for all. There is broad support for this aim across the Scottish education system, with a wide range of partners committed to working together to achieve this.
3. The objective of the Education (Scotland) Bill is to play a transformative role in achieving excellence and equity, by further strengthening the Scottish education system to:
 - empower headteachers to be leaders of learning and teaching in their schools and work collaboratively with the education authority and their staff, pupils, parents and other partners so that the decisions that most affect a pupil's experience are taken by those closest to them;
 - enhance the educational improvement support and advice that is available to educational practitioners;
 - encourage an increase in parental involvement in education and parental engagement in children's learning; and
 - ensure that effective pupil participation is supported in all public schools.
4. Specifically, the Bill aims to support the following four key policy objectives:
 - Empowering headteachers by establishing a Headteachers' Charter which requires education authorities to allow headteachers to make key decisions at school level, working collaboratively with their school community;
 - Collaborating for improvement, by placing a duty on all education authorities to work together and with Education Scotland within Regional Improvement Collaboratives (RICs), in the production, delivery and publication of regional improvement plans, and in exercising a range of educational support and improvement functions, to be set out in statutory guidance, in accordance with the principles and scope agreed between the Scottish Government and Convention of Scottish Local Authorities (COSLA);

- Strengthening parental involvement and engagement by making the existing legal duties in relation to parental involvement clearer, and encouraging stronger collaboration between schools, school leaders and parents. These provisions will strengthen, modernise and extend the Scottish Schools (Parental Involvement) Act 2006 as recommended in the National Parent Forum of Scotland’s review to reflect the importance of parental engagement in children’s learning; and
 - Promoting pupil participation by requiring education authorities to promote and support pupil participation in specific aspects of education and school life in every public school.
5. This Financial Memorandum relates to the legislative measures being taken forward in support of the wider Education Reform programme. It is important also to highlight that there are a range of non-legislative reforms being taken forward which are not addressed in detail in this document.

PART 1: THE HEADTEACHERS’ CHARTER

6. The intention of the Headteachers’ Charter is to empower headteachers to be the leaders of learning and teaching in their schools, working collaboratively with their school community. The provisions within the Bill identify four Charter functions which must be delegated by education authorities to headteachers: the curriculum, improvement, budgetary and staffing functions. Headteachers are required to carry out these functions in accordance with the education authority’s statutory duties and contractual obligations, and the Bill provides for education authorities to carry out Charter functions if this is necessary to remedy or avoid the breach of a statutory duty or contractual obligation of the authority.
7. The Bill will provide the legal framework to support the empowerment of headteachers in making decisions in their schools without an increase in their workload. Through consultation and discussion with the profession it is clear that many headteachers already have substantial freedom in respect of decision making in some or all of the four specific areas. However, it is recognised that this is not universal.
8. Consultation also made clear that there will be a need for an enhanced professional learning support package for existing and aspiring headteachers to ensure they have the confidence and capability to discharge this greater decision-making role. Consultation responses also identified the importance of sufficient business management support being in place in order that headteachers do not become the chief administrators of their schools. The extent of the professional learning and the difference in business management support required will vary depending on the current arrangements, as headteachers across Scotland are currently experiencing a range of empowerment and differing access to business management support.

Costs on the Scottish Administration

9. The Scottish Government considers that the successful implementation of the Headteachers’ Charter provisions will require additional investment from central government in the areas outlined below.

An Enhanced Support Package for School Leaders

10. The Headteachers' Charter provisions will empower headteachers to be the leaders of learning and teaching in their schools, working collaboratively with their school community. Currently headteachers in Scotland have a variable experience, as the scope of their decision-making power depends on local arrangements. The Bill will bring greater consistency and empowerment to the role of headteachers which, depending on the current local arrangements, may result in change to the extent of the headteacher's empowerment. Successful implementation of the Bill's provisions will require headteachers to be supported in preparing for, and taking on, their enhanced role.
11. There is already a national offer of leadership support for headteachers in place through the Scottish College for Educational Leadership (SCLEL) and now Education Scotland. In preparation for the Headteachers' Charter, this offer will be revised and enhanced to provide all headteachers in Scotland with the opportunity to access resources and support, for example in relation to curriculum design and development, planning their school's leadership structure and having strategic oversight of their staffing and non-staffing budgets. As this work will be in addition to the leadership support programmes already operated by Education Scotland, additional resources will be required. It is anticipated that the cost of developing and delivering an enhanced leadership support package for existing and aspiring headteachers will be up to £4 million over three years.

Headteacher Remuneration

12. Teachers' pay and conditions are negotiated through the Scottish Negotiating Committee for Teachers (SNCT), a tripartite body comprising the Scottish Government, teacher and local authority representation. The SNCT is committed to undertaking a strategic review of pay and reward (as part of the 2017-18 pay agreement) and is mindful of the need to acknowledge the changes taking place within Scottish education. As part of this the SNCT will consider the impact of changes brought about by the Headteachers' Charter. The Scottish Government is committed to playing its part in the consideration of these issues.

Costs on Local Authorities

Business Management Support

13. The Bill will require education authorities to support headteachers and others in discharging their functions under the Headteachers' Charter. Responses to the Bill consultation¹, the earlier Governance Review consultation² and discussions with the profession clearly indicate that to empower headteachers to be leaders of learning and not administrators of their schools the provision of high quality business management support would be particularly important.
14. Consultation responses indicate that a variety of business management support models currently operate across Scotland with a range of support available to schools both in respect of the number of staff, financial contribution and the model of delivery. They suggest that

¹ Analysis of responses to Empowering Schools: A consultation on the provisions of the Education (Scotland) Bill - <http://www.gov.scot/Publications/2018/04/6098>

² Empowering Teachers, Parents and Communities to achieve Excellence and Equity in Education: An analysis of consultation responses - <http://www.gov.scot/Publications/2017/06/6880>

similar schools in different parts of the country receive different levels of support and resource, and that business management responsibilities are covered in some areas by those in teaching and leadership posts. Some consultation responses argue that it will only be possible for schools to be empowered if the school's budget (set by the education authority through the process set out in their Empowering Schools Scheme) allows for adequate business management support to allow school leaders to devote their management time to leading teaching and learning in the school. Otherwise they are concerned that school leaders will need to compromise their work leading learning and teaching in order to ensure that vital business and administrative functions of the school are completed.

15. Nationally collected workforce data indicates that education authorities in total spend approximately £81-£128 million each year on business management, administration and clerical support provided to schools. There is, however, no nationally collected data available on the levels of business management support actually provided to schools.
16. The Scottish Government is clear that headteachers must be properly supported as well as empowered if they are to be leaders of learning and teaching. It will be for education authorities and their schools to consider carefully the level and type of business management support that will be required to support the empowerment of each school while enabling the school's leadership team to focus on leading learning and teaching.
17. The Scottish Government will work with local government to establish a clearer baseline of current provision of business management support to schools and to consider the levels of future provision needed by empowered headteachers and schools. As an illustration, if the evidence generated by that work indicates that local government requires a 5%, 10% or 20% increase to current levels of expenditure, the corresponding annual additional cost would be in the region of £5 million, £10 million and £20 million respectively from full commencement of the Headteachers' Charter provisions.

Devolved School Management Schemes

18. The Bill will require education authorities to replace their current Devolved School Management Schemes with new Empowering Schools Schemes which meet the requirements set out in national guidance to be co-produced by central and local government. These schemes will provide for a more consistent approach to funding delegation from education authorities, extending to all schools in the area, and ensuring that headteachers are able to make spending decisions which meet the needs of the children in their schools including on staffing and leadership structures. In developing their new funding delegation schemes, education authorities will be required to undertake consultation with headteachers and school communities.
19. There will be some initial cost involved in developing local Empowering Schools Schemes as local authority education and finance officers will be involved in this process. This activity will however replace current routine work in maintaining and operating Devolved School Management schemes. It will therefore build on existing local practice, and will be supported by the new national guidance and supportive tools designed to minimise the burden of this process. It is not possible to estimate the staffing cost to education authorities as approaches will vary depending on local preference and requirements. The Scottish Government expects that the activity should be planned for and managed within current budget provision.

Involving headteachers in the design of recruitment processes

20. There is also a requirement that education authorities put in place a process for collaborating and involving headteachers in the design and procedures for staff recruitment within schools. The extent of this work, and therefore the costs involved, will be determined by education authorities based on current practice. The level of additional financial investment is not considered to be substantial as the commencement of the Bill provisions will provide for a period during which the planning and development of the required changes can be undertaken over a number of financial years. It is anticipated that this can be achieved within current budget provision.

Costs on Other Bodies, Individuals and Businesses

21. The Scottish Government does not anticipate any additional costs on other bodies, individuals, or businesses in respect of the Headteachers' Charter provisions within the Bill.

PART 2: REGIONAL IMPROVEMENT COLLABORATIVES

22. The Bill places a duty on education authorities to collaborate within new Regional Improvement Collaboratives in the discharge of their pre-existing improvement duties. The purpose of this is to enhance the educational support that is provided to learning establishments in response to the needs identified by the latter. Collective vision and focus is provided through a duty in the Bill for constituent education authorities to collaborate on the development and delivery of a Regional Improvement Plan drawn from the priorities identified at school level. Education Scotland has indicated its intention to identify a range of dedicated staff to support the Collaboratives.
23. The initial establishment of six RICs has been commenced in partnership between the Scottish Government, Local Government and Education Scotland on the premise that it will be staffed from existing resources. However, in order to continue their development and realise the potential set out in the Report from the Joint Scottish Government/Local Government Steering Group on Regional Improvement Collaboratives for Education, additional resources will be required.
24. Each RIC is expected to develop both its work programme and underpinning delivery plans, and to confirm its individual resourcing plans and potential funding requests by the autumn of 2018. Until this information is available it is difficult to estimate with any degree of certainty the costs of ensuring that the RICs are provided with appropriate leadership, administrative, analytical and expert educational support, at a level which represents additionality above existing provision by local government and Education Scotland. To provide a sense of scale until then, we have assumed that these costs could be in the region of £3.7 million annually based on salary levels of the functions and seniority potentially required to fulfil the functions and aims agreed by the Scottish Government and COSLA. However, these costs would fall on the Scottish administration and on education authorities and are proposed on the basis that they would be additional to current local authority and Education Scotland provision/spend on education in Scotland.

Wider Programme Support

25. In addition to the areas above, the developing RIC workstreams are likely to identify areas for support that cannot be fully met from current education authority and/or Education Scotland resources, the cost of which will be subject to each RIC's work programme. This may include areas of infrastructure support, for example in developing new region wide networks or engagement arrangements, or in areas where particular subject or specialist expertise may be required, for example in securing academic support or input from other sectors and partners.
26. As each RIC fully develops its underpinning networks and wider collaborative working, it may lead to savings for partner authorities, schools and practitioners. For example, the provision of expert support and advice on approaches proven to work in the classroom will help schools and practitioners improve practice more efficiently and effectively than before. Closer joint working will also help partner authorities to identify areas of unhelpful duplication, including in addressing vacancies and in securing expert support. This will enable partners to work collaboratively and maximise the impact of available resources and expertise. The scale of these savings will vary.

Costs on Other Bodies, Individuals, and Businesses

27. The duty on education authorities to collaborate in the production, delivery and publication of a regional improvement plan and report is not anticipated to result in additional costs for other bodies, individuals or businesses.

PART 3: PARENTAL INVOLVEMENT AND ENGAGEMENT

28. It is expected that the financial impact of the parental engagement elements of the Bill will be minimal. However there will be short-term non-recurring costs to develop and roll out a new package of core training materials on parental involvement and engagement for use by RICs, education authorities and schools.

Costs on the Scottish Administration

29. Parental involvement and engagement is supported via existing national policy development functions and Education Scotland development officer roles. Changes to legislation contained within the Bill enhance current duties and powers rather than introduce new ones, except where existing duties are being extended into early years establishments. It is not anticipated that the Bill will lead to additional recurring improvement support costs at national level.
30. The provisions within the Bill make a number of reforms to the legal provisions within current legislation. This will require amended statutory guidance, changes to terminology and a broader approach to parental involvement and engagement. Some non-recurring costs are anticipated in order to publicise the changes to schools, Parent Councils and RICs, and to provide a suitable training and support package which will reflect the new legislative and best practice landscape.
31. The Scottish Government anticipates the costs of the development of the necessary refreshed guidance, training and support materials will be in the region of £170,000 over a three year period. This cost includes £70,000 over 2 years for the development of refreshed training materials for headteachers and Parent Councils and £100,000 over 2 years for the

roll-out of training and awareness raising across RIC areas to Parent Councils and to Headteachers. It is expected that existing budgets will cover this cost.

Costs on Local Authorities

32. Education authorities already fund Parental Involvement Officer (PIO) posts, although it should be noted that the extent of dedicated funding for PIOs varies between education authority areas. Those education authorities with current low levels of PIO funding may need to increase funding in order to provide sufficient information and support capacity across their education authority area. It is anticipated that education authorities will incur short-term costs in order to raise awareness and roll out training, though costs are expected to be minimised through the development of national training products which can be adapted and utilised at education authority and school level.
33. Education authority funding to schools and small-scale funds to Parent Councils already help to fund schools' approach to parental involvement and engagement. Bill provision may result in a refocusing of how that funding is utilised.
34. The duties on headteachers to support and enable collaborative working with their Parent Council and parent forum are intended to reflect good practice; to focus schools on utilising existing capacity in a better way, rather than adding significant new responsibilities.
35. The extension of the legislation to ensure that parental involvement and engagement is reflected in early learning and childcare (ELC) settings has been framed to ensure maximum flexibility for authorities to meet their duties in ways that fit with the circumstances in their area. Education authorities will need to take account of the requirements when they review their arrangements for the delivery of ELC.

Costs on Other Bodies, Individuals, and Businesses

36. The Bill extends the application of Parental Involvement legislation in the early years including arrangements relating to third and private sector providers of ELC. Where an ELC provider has in place an effective set of arrangements to involve and engage parents, the duties on education authorities in relation to ELC delivered by third and private sector providers are not expected to lead to any additional costs. Where a provider has no arrangements to involve or engage parents there may be limited costs to the provider in order to put such arrangements in place. However, the proposed duties, which are placed on education authorities in relation to their arrangements with ELC providers, are sufficiently broad and flexible so as to allow a wide variety of arrangements, and would not be expected to impact significantly on the provider's costs.
37. Parent Council members provide their input on a voluntary basis and parents who are involved in the life and work of schools are required to provide their input on a voluntary basis. Parental involvement in schools and schooling therefore involves a commitment of time, and sometimes financial resources (in the form of childcare costs) for parents to volunteer or support school activities. The Bill does not propose to prescribe or increase the frequency of Parent Council meetings, nor does it require specific forms of involvement in all schools.

PART 4: PUPIL PARTICIPATION

38. The Bill establishes a duty on education authorities to promote and support pupil participation. This is a general and flexible duty with a high degree of scope for schools to determine and utilise approaches which are appropriate to their school context.
39. Learner engagement in their own learning is an established element in Curriculum for Excellence and pupil voice or pupil participation are important aspects of school practice. The creation of a legal duty on pupil participation builds on this established practice. It provides a clear basis on which to support further improvements in *how* learners' participation is supported across the life and work of the school.

Costs on the Scottish Administration

40. The Scottish Government will provide statutory guidance and best practice guidance as appropriate and additional improvement support may be provided via RICs as necessary. The emphasis is on developing improvements in practice and approaches and is expected to give rise to additional demands for advice and guidance from both national and regional levels. The Scottish Government anticipates an additional cost of a maximum of £45,000 to develop additional training materials on pupil participation and rights-based approaches. This material would complement and enhance existing Education Scotland guidance on learner participation.

Costs on Local Authorities

41. It is not anticipated that there will be any direct costs on local authorities.

Costs on other Bodies, Individuals and Businesses

42. There will not be any direct costs of this provision for other bodies, individuals and businesses.

Summary of costs

Topic and relevant paragraphs	Costs
Part 1 – Headteachers’ Charter (paragraphs 8-23)	<p><u>Costs on Scottish Administration</u></p> <ul style="list-style-type: none"> • Developing and delivering an enhanced leadership support package - £4 million • Estimated annual cost for increased provision of business manager support - £5-20 million <p><u>Costs on local authorities</u></p> <ul style="list-style-type: none"> • Nil <p><u>Costs on other bodies, individuals or businesses</u></p> <ul style="list-style-type: none"> • Nil
Part 2 – Regional Improvement Collaboratives (paragraphs 24-29)	<p><u>Costs on Scottish Administration</u></p> <ul style="list-style-type: none"> • staff salaries - £2.5 million <p><u>Costs on local authorities</u></p> <ul style="list-style-type: none"> • staff salaries – £1.2 million <p><u>Costs on other bodies, individuals or businesses</u></p> <ul style="list-style-type: none"> • Nil
Part 3 – Parental Involvement and Engagement (paragraphs 30-39)	<p><u>Costs on Scottish Administration</u></p> <ul style="list-style-type: none"> • Development and roll out of training materials - £170,000 <p><u>Costs on local authorities</u></p> <ul style="list-style-type: none"> • Nil <p><u>Costs on other bodies, individuals or businesses</u></p> <ul style="list-style-type: none"> • Nil
Part 4 – Pupil Participation (paragraphs 40-44)	<p><u>Costs on Scottish Administration</u></p> <ul style="list-style-type: none"> • Refreshing and improving core guidance - £45,000 <p><u>Costs on local authorities</u></p> <ul style="list-style-type: none"> • Nil <p><u>Costs on other bodies, individuals or businesses</u></p> <ul style="list-style-type: none"> • Nil

ANNEX B

Annual cost breakdown

	Year 1 £000	Year 2 £000	Year 3 £000	Year 4 £000	Year 5 £000
Headteachers' Charter					
Development of Leadership Support Package	2,000	1,000	1,000	-	-
Business Management Support <i>(recurring)</i>	5,000 to 20,000	5,000 to 20,000	5,000 to 20,000	5,000 to 20,000	5,000 to 20,000
Regional Improvement Collaboratives					
Staffing <i>(recurring)</i>	3,700	3,700	3,700	3,700	3,700
Parental Involvement and Engagement					
Development of Training Materials	90	50	30	-	-
Pupil Participation					
Refreshing Core Guidance	45	-	-	-	-
Total	10,835 to 25,835	9,750 to 24,750	9,730 to 24,730	8,700 to 23,700	8,700 to 23,700

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