

EDUCATION (SCOTLAND) BILL

[AS AMENDED AT STAGE 2]

SUPPLEMENTARY FINANCIAL MEMORANDUM

INTRODUCTION

1. As required under Rule 9.7.8B of the Parliament's Standing Orders, this Supplementary Financial Memorandum is published to accompany the Education (Scotland) Bill (introduced in the Scottish Parliament on 23 March 2015) as amended at Stage 2.
2. This Memorandum has been prepared by the Scottish Government. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the Financial Memorandum on the Bill as introduced and also the Education (Scotland) Bill as amended at Stage 2.
3. This Supplementary Financial Memorandum summarises the amendments made to the Bill at Stage 2 which are likely to have financial implications and then sets out estimated costs for each.
4. The estimated costs in the Supplementary Financial Memorandum would result in revised total costs for the Bill as a whole and for the different categories of bodies bearing the costs. These revised costs are set out in the tables below. Some of the new provisions will place new responsibilities and costs on local government. Discussions with Cosla, ADES and others about additional responsibilities and associated estimated costs are on-going. It is not therefore possible at this stage to say exactly where all costs will fall. To avoid double counting within this Supplementary Financial Memorandum, the estimated additional costs have all been recorded under "Costs on the Scottish Administration" accompanied by explanatory text. It is therefore likely that, after further discussion with local government partners, costs apportioned to local government will rise.
5. As with the original Financial Memorandum, the period covered by the Supplementary Financial Memorandum is up to 2020/21.

Table 1: Summary of estimated costs of proposed Bill provisions at introduction

	2016/17	2017/18	2018/19	2019/20	2020/21
	£k	£k	£k	£k	£k
Scottish Administration	187	402.5	437.5	472.5	507.5
Local Authorities	67	104.5	117	129.5	142
Costs on other bodies, individuals and businesses	–	41	45	37	37
Total cost	254	548	599.5	639	686.5

Table 2: Summary of estimated costs of proposed Bill provisions following Stage 2

	2016/17	2017/18	2018/19	2019/20	2020/21
	£k	£k	£k	£k	£k
Scottish Administration	2,286 – 2,786	5,571 – 6,071	9,928 – 10,428	10,299 – 10,799	11,797 – 12,297
Local Authorities	67	104.5	117	129.5	142
Costs on other bodies, individuals and businesses	-	41	45	37	37
Total cost	2,353 – 2,853	5,716.5 – 6,216.5	10,090 – 10,590	10,465.5 – 10,965.5	11,976 – 12,476

STAGE 2 AMENDMENTS WITH ANTICIPATED OR POTENTIAL COST IMPLICATIONS

National Improvement Framework

6. The Bill as amended at Stage 2 would place a duty on Scottish Ministers to prepare and publish a National Improvement Framework for Scottish education setting out strategic priorities and objectives in relation to school education. Following extensive consultation and engagement on a draft Framework, the First Minister launched the National Improvement Framework on 6 January 2016. The Framework is based on international best practice in the use of data and evidence to improve educational outcomes and has been informed by the OECD research

“Synergies for Better Learning¹” and its recent country report on Scotland “Improving Schools in Scotland: An OECD Perspective²”.

Learning hours

7. The Bill as amended would place a duty on education authorities and managers of grant aided schools to provide a minimum number of learning hours each year to pupils for whose education they are responsible. A regulation making power has now been included in the Bill for Ministers to prescribe the minimum number of learning hours. Doing this through secondary legislation will offer greater flexibility, allowing special circumstances to be taken into account and for different cohorts of children who may have specific needs.

Free school meals

8. Amendments to expand applicability of free school meal provisions to eligible young children in early learning and childcare attending partner providers were introduced at Stage 2. These were required to ensure that the existing provisions will apply to young children who meet the free school lunch criteria and who receive their funded entitlement to early learning and childcare in partner provider settings. Legislation is already in place to ensure an entitlement under qualifying criteria to free school meals; and, to cover provision of food and drink in education authority early learning and childcare settings.

School clothing grants

9. Education authorities are currently able under section 54 of the Education (Scotland) Act 1980 (the 1980 Act) to give grants for provision of school clothing. This is expressed as a power rather than a duty, however, and consequently there is a lack of consistency of approach across Scotland to financial assistance for school clothing. The amendment to the Bill introduced at Stage 2 enables Ministers to make regulations requiring education authorities to provide school clothing grants of a specified amount to specified pupils, thus ensuring consistency in the provision of school clothing grants across Scotland.

Head teachers

10. Amendments at Stage 2 require prospective head teachers to have been awarded the Standard for Headship before being appointed to the role in any school in Scotland (whether education authority managed, grant aided or independent).

COSTS ON THE SCOTTISH ADMINISTRATION

Sections 1A, 1B and 1C: National Improvement Framework

11. Section 1A requires that Scottish Ministers establish and annually review a National Improvement Framework for Scottish education. The Framework is intended to evolve to reflect emerging trends within the education system.

¹ <http://www.oecd.org/edu/school/synergies-for-better-learning.htm>

² <http://news.scotland.gov.uk/News/OECD-review-of-Scottish-education-206d.aspx>

12. Estimates of the additional costs associated with the amendments have been prepared on the basis of the National Improvement Framework for 2016. The intention is to review the Framework on an annual basis. Costs in the second and subsequent years will vary depending on the amount of change required. However we have assumed that costs associated with delivering subsequent National Improvement Frameworks will be broadly equivalent to costs for 2016.

13. Estimated additional costs are as follows:

- **Development of statutory guidance:** Scottish Ministers intend to produce statutory guidance to support education authorities in fulfilling their duties in respect of the National Improvement Framework. That guidance will be combined with the guidance focussing on inequalities of outcome which is accounted for at paragraph 5 of the Financial Memorandum which accompanied the Bill at introduction. It is expected that the additional effort required to produce the further statutory guidance will be absorbed within existing staffing complements and therefore no additional costs will be incurred.
- **Annual review of National Improvement Framework:** Annual costs of approximately £35k, covering staff and publication work, are estimated to be incurred.
- **Performance information:** The production of an annual national report describing progress towards the priorities of the National Improvement Framework is estimated to cost about £15k in both 2016/17 and 2017/18, with costs rising to £65k a year thereafter. Estimates are based, in part, on experience of producing the 2015 annual report linked to the National Improvement Framework. The development of each annual report is likely to carry staff and publication costs of approximately £15k. The rise in costs in 2018/19 relates to the introduction of an independent peer review process to validate the findings of the annual national report (in line with recognised best practice). This is expected to cost approximately £50k per annum. The introduction of that peer review process is scheduled to coincide with the introduction of the Scottish standardised assessment (see paragraph 14).
- **Supporting implementation of the National Improvement Framework:** The National Improvement Framework will bring together key information to help measure progress with children's learning. Additional work will be required to provide support for schools, teachers and parents in the development and implementation of the Framework. This will include activities such as enhanced professional learning for teachers and school leaders and improved resources focussed on data literacy. Depending on the scale of activity required and the potential to redeploy current staff the expected cost to the Scottish Administration is likely to be within the range of £500k to £1 million a year. We will work with ADES to determine the exact nature of support required, which will be tailored to the needs of each local authority. We will be training and supporting key staff in each local authority as associate assessors who can quality assure and moderate teacher judgement of children's achievement of curriculum levels. This will require a national team and associates in schools across Scotland, who will need to be released from their posts on a daily rate basis to complete local activities. We will also develop new materials for teachers on using data and evidence to support improvement. This will require commissioning resources and a national programme of professional learning. Other activities to support teachers, parents and school leaders will include: advice and support materials for parents and developing nationally consistent ways of reporting children's progress to parents.

14. Whilst the Bill does not require the establishment and/or operation of a Scottish standardised assessment, Ministers consider such a step to be central to the future success of the National Improvement Framework.

15. Work is on-going with stakeholders to develop a specification for a bespoke Scottish standardised assessment for P1, P4, P7 and S3 from 2017-18 onwards. Until that work is completed we are not able to estimate the cost of developing and delivering the Scottish standardised assessment.

16. Approximately 230,000 pupils will take the Scottish standardised assessment once per year. Standardised assessments covering both literacy and numeracy are currently available for purchase at a “unit cost” of around £11 per pupil. Delivering the assessments on this basis would result in a cost of approximately £2.5 million per year. However, it is important that this figure be treated with a significant degree of caution, not least because work is still on-going to agree the specification for the new bespoke assessment. It should also be noted that Scottish Ministers expect to secure cost efficiencies as a result of delivering assessments on a national scale.

17. A new “dashboard” IT solution will also be developed in order to support parents, practitioners and policy makers to interrogate the improved data that will be available through the Framework. It will ensure alignment between national priorities and classroom practice and consider a range of existing and new evidence to tell us how children’s learning is progressing and what more needs to be done to raise attainment.

18. The dashboard will cover primary to mid secondary level and will complement the Insight Benchmarking Tool in existence for the Senior Phase of secondary education. Both tools together will provide a complete picture of a child’s education from primary 1 until they leave school. The new dashboard is at an early stage of development, with a final specification not yet available. It is therefore difficult to provide precise cost estimates. Given the limited available information, we consider it reasonable to estimate costs based on our experience of developing the Insight Benchmarking Tool. Initial development costs for that tool totalled £650,000, with on-going operational costs totalling approximately £100,000 per year, covering matters relating to hosting, maintenance and mandatory updating of methodologies for analysing and interpreting data.

19. The Framework requires other targeted improvement activity in key areas including school leadership, pupil health and wellbeing, teacher professionalism and parental involvement. This activity will be taken forward within existing programmes of work focussed on, for example, teacher professional learning, the Into Headship qualification for head teachers (see paragraphs 43 to 45 below) and the review of the implementation of legislation on the involvement of parents in their children’s education, announced by Scottish Ministers on 14 November. Consequently, additional costs to be incurred in these areas as a direct consequence of the Framework are expected to be negligible.

Table 3: Estimated costs of delivering the National Improvement Framework

Year	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Annual review of the National Improvement Framework	35	35	35	35	35
Performance information	15	15	65	65	65
Supporting implementation	500 – 1,000	500 – 1,000	500 – 1,000	500 – 1,000	500 – 1,000
Scottish standardised assessment	-	2,500	2,500	2,500	2,500
Dashboard	650	100	100	100	100
Total	1,200 – 1,700	3,150 – 3,650	3,200 – 3,700	3,200 – 3,700	3,200 – 3,700

Section 17B: Learning hours

20. Ministers intend to exercise this power to prescribe at least 950 hours of teacher contact time annually (equivalent to 25 hours for each school week) for all primary pupils attending education authority and grant aided schools. Based on discussions with key organisations including COSLA and ADES, it is our understanding that the majority of education authorities already offer this level of teacher contact to all their primary school pupils. Four authorities operate a shorter school week for P1-P2, whilst a further two authorities operate a shorter school week for P1-P3. This conclusion has been supported by a small scale review of publicly available information on the length and structure of the school day in approximately 90 schools spread across the 32 education authority areas. In total, we estimate that 1080 primary school classes across the six affected authorities will receive an increased number of teaching hours as a result of the change being proposed.

21. Those education authorities not offering 25 hours a week for all primary children currently make varying provision for infant primary pupils in terms of class hours. For the purposes of this Supplementary Financial Memorandum, we have assumed a school week of 22.5 hours for all classes currently receiving fewer than 25 hours. This reflects the observed average amongst the six authorities affected.

22. The costs to be incurred by education authorities will relate predominantly to the expansion of their teacher workforce, and will therefore be borne only by the 6 authorities which currently have classes receiving fewer than 25 hours of teacher contact. We estimate that, for each class affected, the relevant education authority will require to employ an additional 0.11

FTE teachers. This reflects the fact that each teacher's contractual class contact time is limited to 22.5 hours per week.

23. Based on the above, we expect that the policy will result in the need for approximately 120 additional FTE teachers across the 6 education authorities. Assuming average employment costs of £40k per year, per teacher, this represents a recurring annual cost totalling £4.8m.

24. For grant-aided schools, the available data suggests that five of the eight schools currently operate a school week which consists of fewer than 25 hours of contact time with a teacher, either for some or all of their pupils. As is the case with the education authority schools affected by the new duty, these grant-aided schools offer varying levels of teacher contact time. In line with the assumption made in respect of education authority schools, based on a small-scale survey, our cost estimates for grant-aided schools have assumed a school week of 22.5 hours for all classes currently receiving fewer than 25 hours.

25. Four of the affected grant-aided schools deliver specialist provision for children with additional support needs of varying complexity. As a result, the pupil teacher ratios in those establishments is likely to be significantly lower than would be the case in a mainstream school. There will also be some variance in the pupil teacher ratios within this particular group of schools. For the purposes of this financial memorandum, we have assumed that a pupil teacher ratio of 5:1 is being operated in each of the schools.

26. The remaining affected grant-aided school delivers mainstream education. Accordingly, the cost of implementing the new legislative duty within that establishment has been calculated using the same methodology as for education authority schools. Based on this approach, we estimate that four additional FTE teachers will be required across the 5 grant-aided schools affected, at a recurring annual cost of approximately £160k.

27. Based on previous experience of funding initial teacher education, the Scottish Government estimates the costs associated with training 124 teachers to be in the region of £1.025m. We will take account of the impact of the new legal duty in the advice provided to the Scottish Funding Council on trainee teacher intake targets in the coming years.

28. Part of the reason for taking a power to implement this policy, rather than including the legislative duty on the face of the Bill, was to allow for full consultation with Cosla, ADES and others during the development of the regulations so that the precise requirements could reflect discussions. That consultation process will commence following the passage of the Bill. It is therefore the Scottish Government's intention to make the regulations and have the new requirements in place for the start of the 2018/19 school year. More detailed and accurate costing will be available following discussion with Cosla, ADES and others about how these provisions will operate. Discussions will also focus on how the additional costs of implementation will be met. For the purposes of this Supplementary Financial Memorandum, all the estimated costs, which are summarised in table 4 below, are shown as costs on the Scottish Government.

29. We will seek to implement the provisions in a way which minimises any costs associated with adjusting school transport provision to reflect the revised school starting and/or finishing

times for certain pupils. This issue will form part of the consultation on the regulations made under this section.

Table 4: Estimated costs of learning hours provisions

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	£k	£k	£k	£k	£k
Initial teacher education	-	1,025	-	-	-
Local authority schools teacher employment costs	-	-	4,800	4,800	4,800
Grant-aided schools teacher employment costs	-	-	160	160	160
Total	0	1,025	4,960	4,960	4,960

Section 18: Provision of school meals

30. The intention of amending section 53 of the Education (Scotland) Act 1980 through section 18 of the Bill is to extend the free school meal provisions to those eligible children aged 2, 3 and 4 years old who are receiving their funded entitlement to early learning and childcare at partner provider settings.

31. The duty to provide or secure free school lunches for eligible pre-school children who receive their funded hours at partner providers settings will rest with the local authority.

32. It has been agreed with COSLA that local authorities will fulfil this duty voluntarily, until the Bill is passed and the duty made statutory. The Scottish Government has therefore agreed an appropriate funding level with COSLA to enable local authorities to provide free school lunches to eligible pre-school children at partner providers, who meet the qualifying criteria and attend in the middle of the day for the first academic year only. For academic year 2015/16, local authorities will receive £385,000 in the current financial year (August 2015 to March 2016) and £214,000 in financial year 2016/17 (April 2016 to August 2017).

33. The level of funding has been agreed for 2015-16 only at this stage as it is necessary to consider, in partnership with COSLA, how best to assess and estimate changing attendance in the middle of the day as flexibility of early learning and childcare increases year on year; as well as the extent to which compressed models over fewer days per week reduces the entitlement to a lunch every day. Attendance in the middle of the day is expected to jump to 100% in 2020 to reflect the introduction of 1,140 hours / year which *could* equate to around 30 hours a week; or, 5 x 6 hours sessions. Although again, the commitment is to deliver this flexibly, so the number of days in attendance in the middle of the day for children eligible for a free school lunch could vary.

34. Given that final costs will be subject to on-going discussion, assessment and analysis with COSLA in future years, the Scottish Government has indicated potential costs of these new provisions based on two possible scenarios:

- Around 15 per cent of children who are eligible for free lunches³ attending in the middle of the day and receiving a lunch – and that this take up remains steady until the projected 100% in 2020
- Annual incremental increases up to 50% of children who are eligible for a free school lunch being in attendance in the middle of the day up until 2019.

35. A number of other assumptions have also been used in calculating estimated costs:

- Costs are based on the latest unit cost of meals in primary settings estimated at £2.95 per meal in financial year 2013-14
- The frame of children are those estimated to take up their early learning and childcare offer; this is assumed to be 100% for 3 and 4 year olds and 76% for eligible 2 year olds.
- For those eligible under existing free school lunch criteria, costs are based on an estimated 27% of children as eligible⁴ of which around 81% of 3 and 4 year olds are assumed to take up their meal. This reflects current experience in schools, where 81% of those eligible are registered for a meal.
- Meal costs are estimated assuming eligibility and commencement of children from the first term after their second or third birthday; in practice children may only qualify for the meal later in the year.
- These costs are revenue only as capital has already been invested to cover new and adapted accommodation including kitchen and eating areas, in anticipation of increasing longer sessions spanning the middle of the day; and, the increased cohort of 2 year olds.

³ It is estimated that around 27 per cent of 2-4 year olds are eligible for free school lunches.

⁴ This estimate comes from work by DWP to estimate eligible numbers of school children in Scotland under existing FSL criteria.

Table 5: Estimated cost of free school meal provisions

Financial Year ⁵	2016-17	2017-18	2018-19	2019-20	2020-21
Attendance in the middle of the day - assumes no change in attendance rates over lunch until 2020 roll out of 1,140 hours.	15%	15%	15%	15%	100%
Total Cost £k⁶	651	585	581	575	2,956
Attendance in the middle of the day increases annually up to 2020 roll out of 1,140 hours	20%	30%	40%	50%	100%
Total Cost £k	796	1,066	1,438	1,809	3,307

Section 18A: Clothing grants

36. This new section of the Bill would allow Scottish Ministers to make regulations to require education authorities to provide school clothing grants of a specified amount to pupils of a specified description. Both the specified amount and specified description will be developed in consultation with partners including COSLA. It is intended to bring the new duties into effect from the beginning of the 2017-18 school year (August 2017).

37. Until this consultation has concluded the Scottish Government is not in a position to fully cost the provision of school clothing grants. Provisional cost information has however been prepared based on available data from local authorities and an assumption that school clothing grant eligibility criteria would be in line with free school meal eligibility criteria.

38. The Local Financial Returns for 2013-14 (the most recent data available) shows that current expenditure by education authorities on school clothing is £8.4m. We do not have any reliable, complete information on the factors underlying this figure – for example take-up of the grant, variations in eligibility criteria across local authorities, the value of grants given, or approach to the grant in each local authority (cash, vouchers, direct supply of clothing etc.). Currently local authorities generally provide school clothing grants in line with free school meal eligibility criteria. However, this varies and some local authorities' clothing grant eligibility criteria is broader than free school meal eligibility criteria.

39. Data drawn from local authorities shows that there is currently a considerable variance in the amount of school clothing grants across authorities: it ranges from £20 to £110 per pupil per

⁵ The estimates are based on the financial year which is different from the academic year. Therefore the first column reflects estimates for terms 1 and 2 (August 2015 – March 2016). The totals in the final column are different as they include 15% of children from term 3 (April – August) + 100% of children from terms 1 and 2; the other option includes 50% of children from term 3; and, 100% of children from terms 1 and 2.

⁶ Amounts vary in relation to estimated population changes.

annum with many around £50. The recommendations of the 2009 report of the short life working group on school clothing grants suggested £70 per pupil per annum should be paid in school clothing grant. The Scottish Government’s view is that £70 per pupil per annum is a reasonable amount if these grants are to contribute effectively to the starting point for this policy – removing barriers to education and reducing inequality gaps.

40. The available free school meals data suggests that approximately 120,500 pupils would be eligible. This is based on the number of pupils registered for free school meals in 2015 (rather than all pupils who may be eligible) in special, secondary and P4-P7, plus 20.6% of P1-3 pupils (this is calculated using last year’s primary average free school meal registration rate, as we cannot base this on universal provision in P1-P3).

41. On these assumptions, the estimated cost of school clothing grants would be around £8.44m (120,500 pupils x £70 grant). Given the information in local financial returns (see paragraph 38) that current annual spend on school clothing is £8.4m, (noting however that this will include other contributions to school clothing for children such as sports clothing and other specific requirements), using this figure would suggest that the net additional cost of the policy will be in the region of £40k a year. However we are aware the position is more complex. A number of issues will need to be taken into account before decisions are made on funding for the revised policy, including differential effects on different authorities. Discussions with Cosla and the local authorities described in paragraph 36 above will be used to reach agreement on funding arrangements, including any additional funding that may be made available to local authorities.

42. For the purposes of providing estimated costs for the Supplementary Financial Memorandum we have assumed that the current spend of £8.4m is maintained by all local authorities collectively, with a top-up of further funding by Scottish Government. Other options may emerge in consideration of these issues with Cosla and the local authorities.

Table 6: Estimated cost of school clothing grant provisions

Year	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
LAs to maintain current spend	-	40	40	40	40

Section 22A: Head teachers: education and training standards

43. Currently the cost of the head teacher “Into Headship” qualification is set at £3k per student for all the universities offering the programme. The funding arrangements for the “Into Headship” programme have been the subject of discussions with COSLA and an agreement has been reached with regard to the first cohort of participants, those who entered the programme in the 2015/16 academic year. The Scottish Government is providing two thirds of the funding and the remaining one third is being met by the participant (although in fact a number of local authorities are paying the participants’ costs). Based on the fact that there are currently 145 teachers involved in this first group this represents an investment of **£290k** by the Scottish Government. The Scottish College for Educational Leadership (SCEL) administers the new

qualification while also covering the costs of the 360 degree participant feedback at the start of the programme from within the £1.3m annual grant it receives from the Scottish Government.

44. The Scottish Government will hold further discussions with Cosla and others about arrangements for next year and the long-term funding arrangements for future cohorts. There are a number of possible outcomes to this discussion including alternative approaches where costs are shared to varying extents between the Scottish Government, employers and prospective head teachers.

45. Financial implications for the Scottish Government have been calculated, see Table 7 below, for potential options based on the cost of the course remaining at £3k per participant. The Scottish Government is continuing discussions with Cosla, ADES and the universities about likely take up over the next few years. In the meantime, costs in Table 7 are based on the same numbers as entered the programme this year continuing to enter the programme in each of the next five years.

Table 7: Estimated costs of Into Headship qualification

Year/Option	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Equal funding arrangement (SG, LA, individual)	145	145	145	145	145
Current arrangement (SG 2/3 ^{rds} , individual 1/3 rd)	290	290	290	290	290

COST SUMMARY

46. Table 8 summarises the costs on the Scottish Government of the new provisions in the Bill.

Table 8: Summary of estimated costs on Scottish Government⁷

	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
National Improvement Framework	1,200 – 1,700	3,150 – 3,650	3,200 – 3,700	3,200 – 3,700	3,200 – 3,700
Learning hours	-	1,025	4,960	4,960	4,960
Provision of school meals	796	1,066	1,438	1,809	3,307
Clothing grants	-	40	40	40	40
“Into Headship” programme	290	290	290	290	290
Total costs	2,286 – 2,786	5,571– 6,071	9,928 – 10,428	10,299 – 10,799	11,797 – 12,297

⁷ Where options and potential cost ranges have been identified, figures included in this table are those at the top of the potential cost range – the table therefore identifies the expected maximum cost of the new provisions.

COSTS ON LOCAL AUTHORITIES

Sections 1A and 1B: National Improvement Framework plans and reports

47. Education authorities have an existing legal duty to endeavour to secure improvement in the quality of school education (section 3(2) of the Standards in Scotland's Schools etc. Act 2000). Section 1A would require that education authorities secure those improvements with a view to achieving the strategic priorities of the National Improvement Framework. In reality, much of the improvement activity currently undertaken by education authorities in pursuance of their existing duties will already relate closely to the priorities of the Framework.

48. Moving forward, Scottish Ministers are committed to securing consensus around common elements of improvement activity to be adopted by education authorities in order to deliver the National Improvement Framework. The estimates included in this Supplementary Financial Memorandum assume such a consensus. Taking this into account, the Scottish Government anticipates that the National Improvement Framework will have the following financial implications for local government.

School improvement

49. School improvement plans will play an important role in the improvement cycle linked to the National Improvement Framework. The requirement for each school to develop such a plan already exists in law as does the requirement for schools to evaluate and report on their success in delivering improvement. Accordingly, this element of the Framework's implementation is expected to be cost neutral.

50. At education authority level, there are already several local planning and reporting structures in place which potentially extend to aspects of education provision. These include the soon to be established process of Local Outcome Improvement Planning under the Community Empowerment (Scotland) Act 2015 and the Children's Services Planning process provided for through the Children and Young People (Scotland) Act 2014. Further, it is common practice for education authorities to produce an annual standards and quality report, describing the quality of education being provided in their area. Each of these processes serves a discrete and important purpose. However, it is also clear that each will link closely to planning and reporting on the National Improvement Framework and we will encourage education authorities to explore how they can use these existing structures to satisfy the planning and reporting duties introduced through section 1B of the Bill, thereby securing efficiencies and minimising costs.

Assessment of children's progress

51. It is Scottish Ministers intention that the new Scottish standardised assessment will replace the various standardised assessment tools currently used by the majority of education authorities. Based on evidence collated by Education Scotland from 28 education authorities in 2014, it is estimated that an average saving of £38.5k could be realised by each authority who chooses to no longer purchase separate assessment tools. It should be noted that the level of savings will vary significantly depending on the size of the authority in question and their approach to the use of existing assessment tools. Further, it should be noted that those individual schools who currently purchase assessment tools can expect to secure savings which are additional to those realised by education authorities.

52. Because the new Scottish standardised assessment will replace (rather than be delivered in addition to) existing standardised assessment, we do not consider that schools or education authorities will incur any additional costs as a result of delivering the new assessment.

Section 17B: Learning hours

53. As discussed in paragraph 28 above, full consultation will take place on the proposed new learning hours provisions and decisions around funding will follow the conclusion of that consultation. Until that process has concluded it is not possible to say what the potential costs on local government, if any, would be. However, *Table 4 – Estimated costs of learning hours provisions* at paragraph 29 above includes an estimate of all costs, including those that may fall on local authorities.

Section 18: Provision of school meals

54. As set out above, the Scottish Government will provide an agreed level of additional funding to local authorities for the provision of additional free school meals that would be provided as a result of the provisions in the Bill. It is not therefore expected that there will be any additional costs for local authorities that will not be funded by the Scottish Government.

Section 18A: Clothing grants

55. As discussed in paragraphs 36 to 42 above, discussions are on-going between the Scottish Government, Cosla and others about how the new clothing grant arrangements would work – such as what the eligibility criteria would be and the minimum level of grant that would be set. Available data suggests that the overall cost of providing school clothing grants will be around £8.4m, but further information will be required to allow us to understand what current spend on school clothing buys and how funds could be differently distributed to support this. This overall cost, and how it will be met, is dependent on the outcome of discussions. Until these discussions have concluded it is not possible to say what the potential additional costs on local government, if any, would be.

Section 22A: Head teachers: education and training standards

56. As discussed above, the current cost of “Into Headship” is set at £3k per student for all the universities offering the programme. While the first cohort has been funded jointly by the Scottish Government (two-thirds) and the participants (one-third), a number of local authorities are paying the participants’ costs. With 145 participants per cohort this equates to £145k per course being funded by either the individual or the local authority.

57. ADES surveyed their members to gain an understanding for the funding models that are being adopted by local authorities. Only 14 responded and of this group we know that 5 local authorities are paying the individual contribution, however, it is likely that a number of other authorities will be contributing. It is likely therefore that any future option (other than full funding by the Scottish Government) would result in some cost implications for local authorities in contributing to the entry costs of participants. There are also additional costs to local authorities due the fact participants will require some release from class duties to undertake the programme. Employers will also be required to provide mentors to support aspirant head teachers.

58. The Scottish Government will discuss long-term funding arrangements for participants in the programme with partners in the coming months. There are a number of possible outcomes to this discussion – so for the purposes of this memorandum the likely costs are recorded under costs on the Scottish Government.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

Sections 1A, 1B and 1C: National Improvement Framework

59. It is not anticipated that any cost will fall to other bodies, individuals or businesses.

Section 17B: Learning hours

60. As set out at paragraph 28 above, decisions on how these provisions will be funded will follow consultation, including with grant-aided schools.

Section 18: Provision of school meals

61. It is not anticipated that any cost will fall to other bodies, individuals or businesses.

Section 18A: Clothing grants

62. It is not anticipated that any cost will fall to other bodies, individuals or businesses.

Section 22A: Head teachers: education and training standards

63. As discussed above, the current arrangements require individuals to contribute (one third) to the cost of the “Into Headship” programme. The Scottish Government will discuss long-term funding arrangements for participants in the programme with partners in the coming months. There are a number of possible outcomes to this discussion – so for the purposes of this memorandum the likely costs are recorded under costs on the Scottish Government.

EDUCATION (SCOTLAND) BILL
[AS AMENDED AT STAGE 2]

SUPPLEMENTARY FINANCIAL MEMORANDUM

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