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Dear Clare

Pre-Budget Scrutiny

Thank you for your letter of 23 November regarding the Committee's approach to pre-budget scrutiny ahead of the 2021-22 Draft Budget. I am pleased to have the opportunity to discuss my priorities for the portfolio with the Committee next week, and to respond to the specific issues raised in your letter.

As you will be aware, the Scottish budget as a whole remains under considerable pressure, something which has been compounded by the prolonged impact of the Covid-19 pandemic.

College finances

Colleges are central to the proposals to support the labour market and are at the heart of the Government's thinking around economic recovery

We are aware that COVID-19 has impacted the college sector's finances and may also impact the financial sustainability and medium-term prospects of some within the sector, especially colleges facing liquidity challenges. We have allocated additional funding to the sector including £6.5 million of capital to help with estate costs as well as an uplift in the Flexible Workforce Development Fund (FWDF) for which colleges have been allocated an additional £7 million in funding.

Our immediate priority is to provide assurances of stability and continuity to the sector, and the SFC has contingency plans in place to help support a college in need of short term additional support through mechanisms such as providing flexibility in grant drawdowns.

We will take into consideration advice from the SFC and other stakeholders as part of the budget setting process, and will look to the SFC to continue to work closely with our colleges

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to understand the specific needs of each institution and to deploy our funding in the most effective way possible.

There are considerable risks and uncertainties associated with the 2021-22 Scottish Budget, including the longer term impact of Covid-19. In setting the overall level of funding to be made available to colleges in financial year 2021-22, via the SFC, consideration must be given to the requirement to balance the fiscal needs of all areas of Scottish Government responsibility with the challenging operational needs of colleges.

University finances

We published the Further and Higher Education Sustainability Plan on 9 July which highlighted the steps we have taken to support further and higher education. For universities these include allocating £75 million to protect world-leading research as well as an additional £3.5 million for university estates maintenance.

Delivery of our collective ambitions for Scotland is, of course, not only dependent on direct Scottish Government investment. As autonomous institutions for whom public funding is only part of a larger picture, it is vital that universities continue to develop opportunities for alternative sources of income; that they seek to identify areas for improved collaboration and reform; and to consider where they can secure improved effectiveness and efficiencies.

We must also not lose sight of other factors which remain outwith our control including the UK Government's approach to Brexit, which will have a pivotal influence on Scotland's future success.

Please be assured I do recognise and value the important contribution the higher education sector makes to Scotland as well as the vital role our universities will play as we move through and out of the Covid-19 pandemic.

Additional Support Needs in School Education

The Committee has asked for information about how children and young people with additional support needs will be supported in the budget, taking into account the recommendations from the independently chaired Additional Support for Learning (ASL) review. I will set out below our plans to respond to the ASL review, including resourcing.

ASL Review recommendations and action plan

As the Committee will be aware we published our joint response to the independently chaired review of implementation of ASL on 21 October. Angela Morgan's review of the implementation of ASL, published earlier this year, suggested several areas for improvement in how we can best support our children and young people to flourish in their learning and beyond. The Scottish Government and COSLA have accepted the recommendations made by Angela Morgan's review. Angela Morgan's review sets a clear direction in how we can continue to build on progress in ASL and I am pleased the Scottish Government and COSLA have worked in partnership to develop a joint Action Plan to implement Angela's recommendations.

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The actions include: developing a new vision statement and national measurement framework to change the way in which the achievements and successes of children and young people with additional support needs are recognised; seek to fully involve children, young people and their parents in decision making regarding support; working with partners across the education system to improve the support available to staff who provide ASL; and further integration of ASL into existing policies and reviews. The review and actions we will take, will inform and help us to build on, work that is already being taken forward to enhance the experiences of children and young people. This includes our investment of an additional £15 million each year to improve implementation of additional support for learning across Scotland. We are and will continue to work closely with key partners to deliver the actions set out in the ASL action plan to ensure that children and young people can flourish in their learning and beyond, and will continue to consider the resources required to implement the actions of the ASL Action Plan.

The Additional Support for Learning Implementation Group will oversee progress made against the recommendations and will report to Scottish Ministers and COSLA in October 2021.

From the review of the implementation of ASL and the other evidence that informed it, is clear that the policies and principles of additional support for learning, including the presumption of mainstreaming, are right. Children and young people should learn in the environment which is best suited to their needs, whether that is in a mainstream or special school setting, or a mixture of provision. There is a range of provision in place in Scotland to meet the wide range of children and young people's needs, and the legislation provides the flexibility for children to attend the most appropriate provision for them.

It is for education authorities to determine the most appropriate provision for children and young people with additional support needs, taking account of their legislative responsibilities and the individual circumstances and wishes of children, young people and their families. Guidance for education authorities is provided through the statutory supporting learners' code of practice. We have committed to refreshing this guidance to ensure that it fully supports authorities to carry out their duties under the ASL Act. Authorities are further supported in these decisions by the refreshed guidance on the presumption of mainstreaming which was published in March 2019.

Local authority funding

Local Government Financial Statistics for 2018-19 showed that local authorities spent £5.6 billion on education in Scotland. This has increased from £5.2 billion in 2017-18 - a 4.1% increase in real terms (6.3% in cash terms). Of that, £661 million was on additional support for learning – increasing from £633 million in 2017-18 – a 2.2% increase in real terms (4.3% in cash terms).

As the Committee is aware although the money provided by the Scottish Government to local authorities is allocated using a needs-based formula there is no prescription in relation to how much a local authority should spend on individual services, such as education. The vast majority of the funding provided is in the form of a block grant. It is then the responsibility of each local authority to allocate the total financial resources available to it, including funding for education, on the basis of local needs and priorities having first fulfilled its statutory obligations and the jointly agreed set of national and local priorities including the Scottish Government's key strategic objectives and manifesto commitments.

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Scotland's local authorities are independent corporate bodies and they are responsible for determining how they deliver local services and as democratically elected bodies they are accountable to their electorates for their decisions.

We are also investing an additional £15 million each year to improve implementation of additional support for learning across Scotland. Due to the impact of Covid-19 we announced £80 million for local authorities to recruit additional teachers, and other education support staff to help education recovery. While precise numbers will vary according to need, the additional £80 million is enough for around 1,400 teachers and 200 support staff. Local authorities are still working through their recruitment processes, and current figures suggest that an additional 1,250 teachers have already been recruited, with plans in place to recruit around another 200.

The impact of Covid-19 on vulnerable children and child protection

The Scottish Government announced on 30 November that it is investing £100 million in a Winter Plan for Social Protection to help people and communities through the winter months.

There are considerable challenges to be addressed both as a result of colder weather and due to both increased prevalence of Coronavirus and associated restrictions and the potential impacts of EU exit. Arising from these are dimensions of social harm that the package seeks to address, including social isolation and loneliness, domestic abuse and digital exclusion. This package includes £22 million of support for families on low incomes and £23.5 million to support services for vulnerable children and young people, enhancing capacity within the third sector and communities.

The Scottish Government is committed to continuing to prioritise and support vulnerable children and young people across Scotland. The Independent Care Review published earlier this year and we are determined to Keep the Promise, and will work with partners to help ensure that all care experienced children and young people, including those in fostering and adoptive families, kinship care, residential care and those who are looked after at home, receive the support they need and can thrive in stable, loving homes.

Support for Families on low incomes (£22 million)

This investment will help to support low income families over the winter period. It includes a £100 per child payment for those in receipt of Free School Meals in December, delivered through local authorities. Reaching in the region of 156,000 children, families could use this to meet the costs of heating, warm clothes, Christmas presents or food etc. and we will also provide a contribution towards administration.

Funding is also being provided for the purchase of outdoor clothing for Early Learning and Childcare settings to ensure that young children have access to appropriate winter clothing.

An additional £3.29 million is being allocated to charities working with families affected by poverty over the winter period, including lone parents, families with a disabled child or young person, kinship carers, care leavers and families with a loved one in prison.

The charities benefiting are the STV Appeal, Cash for Kids, Aberlour, Barnardo's, Action for Children, Family Fund, Families Outside, One Parent Families Scotland, and Who Cares?

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Scotland. The latter will specifically focus on supporting care experienced families, such as kinship families and children who are looked after at home, and care leavers.

Funding for Vulnerable Children (£23.5 million)

Some of the most vulnerable people in our communities are not accessing the support they need, while evidence suggests that some services are stalled due to lack of resources. Children and young people who need the most support are likely to have been, and continue to be, disproportionately disadvantaged by the impacts of the pandemic and mitigations.

The Winter Plan will therefore invest £23.5 million to support services for vulnerable children and young people. This is to address the three areas in particular where the children and families social work resource is experiencing significant challenge in meeting demand:

- £8 million to local authorities to address issues around residential care for children and young people and £1 million to secure care providers to deal with staffing and campus impacts of pandemic, introduce outbreak prevention measures and prepare for Promise implementation,
- £8.5 million to support local authorities to deal with extra social work demands posed by children's hearings recovery plans. Of this, £8 million will go direct to local authorities social work and £0.5 million will be used for early 2021 priorities by the Children's Hearings Improvement Partnership, and
- £6 million to support services for vulnerable children and young people.

£8 million of funding will go direct to local government to address staffing issues in their own residential homes and to work with third sector providers in their local areas to ensure adequate staffing arrangements which will mitigate the spread of the virus and ensure continuity of care. Funding can also be used if required to enable some flexibility to support fostering services as we are aware of pressures that Covid-19 may be having on placement numbers.

£1 million will go to secure care to help mitigate the impacts of Covid-19, in particular to ensure that staffing levels can be safely maintained to support our most vulnerable children.

The £8.5 million funding is based on the resources required to support the additional workload involved in additional Children's Hearings activity as part of the Children's Hearings Recovery Plan adopted in November 2020. Directed mainly at children and families social work, £8 million of this is to be used to service outstanding referrals and deferred orders requiring additional hearings slots. This provision includes support for overtime and/or additional staff to cover the extra workload. It also includes a sum of £0.5 million, to augment social work capacity where needed, to be deployed urgently to other disciplines e.g. advocacy, safeguarders or legal representatives or to support hearings to operate safely.

Funding for local authorities to support services for vulnerable children and young people (£6 million) will help address the disproportionate impact of the pandemic on the most disadvantaged children and young people, including disruptions to transitions out of care for care leavers and disruptions to transition planning for children with complex needs. Funding will be available for a variety of interventions including Direct Aid (sections 12 and 22) budgets within social work to enhance support to vulnerable families, additional/enhanced tutoring and

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mentoring programmes, the augmentation of Self-Directed Support for those families of disabled children and youthwork to intervene with those most at risk of sexual exploitation.

A key element of this resource will be the ability to direct aid to those areas with high numbers of children looked after at home, families with multi-agency plans or areas with high levels of free school meal provision and the poorest school attendance levels.

The Scottish Government has separately committed an additional £2 million in funding to the Scottish Children's Reporter Administration to support full system recovery by late 2021.

Instrumental music tuition

We know that the restrictions on music education, including instrumental music tuition, during the pandemic will be of great concern to young people, their parents, and teachers. While no one wants to limit children and young people's enjoyment of music, we want to continue to protect what we have achieved in suppressing the virus and re-opening schools. All efforts are aimed at trying to keep the virus at a low enough level to keep schools open, because we know being at school is so important for young people, educationally and socially. Education Scotland are working with local authorities, schools, and practitioners to support them in finding creative ways to continue to deliver music education in the current context.

As I have previously communicated to the Committee, the Scottish Government remains committed to working with others to ensure instrumental music remains accessible. My view remains that all local authorities should consider the Education and Skills Committee's recommendation that music tuition should be provided free of charge.

As the Committee is aware, under the Education (Scotland) Act 1980, responsibility for decisions about the provision of education rests with local authorities in Scotland. In 2018 we worked with COSLA to achieve a commitment from COSLA's Children and Young People Board that, as a minimum, music tuition should be provided free of charge to students studying for SQA qualifications and those in receipt of free school meals.

The Scottish Government directly supports instrumental music tuition through the Youth Music Initiative which offers every school pupil in Scotland a year of free music tuition by the time they leave primary school. We have invested over £130 million in the Youth Music Initiative since 2007. The Youth Music Initiative engages young people, of any school age, who otherwise would not participate in quality music making activities. The latest impact report shows around 244,000 young people were reached in 2018/19, at least 199,000 school-based and at least 44,000 out of school, and that all 32 local authorities achieved the target of every pupil receiving a year's free music tuition before leaving primary school.

Early learning and childcare

As the Committee is aware, in March 2020 we were on track to deliver 1140 hours across Scotland by August. The overall impact of Covid-19 has resulted in an unavoidable delay and the Scottish Government took the difficult decision to suspend the statutory duty on local authorities to provide 1140 hours of early learning and childcare from this August.

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Councils and their partners have continued to deliver in the face of the pandemic, and we are in a strong position for reinstatement of the 1140 duty. Local authorities continue to offer expanded hours where they can. 14 councils are already delivering 1140 hours to all families, with more on track to move to full roll-out of 1140 in the new year. All councils have been providing more than the 600 hours statutory entitlement to some or all eligible families since August.

The Minister for Children and Young People, Maree Todd MSP, confirmed to the Committee on 9 December the ELC Joint Delivery Board, has recommended a reinstatement date for the 1140 hours programme of August 2021. This recommendation is currently under consideration by Scottish Ministers and COSLA Leaders, and I would be very happy to discuss this issue further with the Committee next week.

As we look ahead to 2021, and with a new implementation date in place, we will continue our focus on realising the transformational benefits of the expansion, including improved educational and developmental outcomes for children, enhanced family wellbeing, and greater employment and training opportunities for parents and carers.

I look forward to having the opportunity to discuss these, and other, issues with the Committee next week.

Yours Sincerely

JOHN SWINNEY

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