

**1. SUMMARY**

- 1.1 The Council, as part of its review of Education, delegated the conduct of an informal review in respect of the Education budget to the Executive Director of Community Services and the Head of Education. This report advises members on the conduct and outcome of that process.

**2. RECOMMENDATION**

- 2.1 It is recommended that Members note the content of the report

**3. BACKGROUND**

- 3.2 Due to the current financial climate, the Council faces the prospect of having to make very substantial savings in all areas of expenditure and all services have been requested to consider how they may achieve savings of around 15% of their current budgets. In the case of the Education Service budget, like all other services, there is an ongoing a review of all spending in order to identify savings that will contribute to meeting the overall target while minimising any adverse impact on the quality of learning and teaching. If Education were to achieve the 15% savings required this would equate to some £12m.
- 3.3 As part of its review of Education, the Council delegated the conduct of an informal review in respect of the Education budget to the Executive Director of Community Services and the Head of Education. The consultation process was carried out by preparing a consultation document outlining the position in regard to the education budget in general and issuing this, together with an invitation, to the participants. These were; senior pupil representatives from each secondary; Head Teachers of all Schools with deposes from larger schools; parent council representatives; union representatives; HMIE and the press. Four consultation meetings were held, one in each of Oban, Lochgilphead, Dunoon and Helensburgh.
- 3.4 The Council received valuable support in the process through the services of Keir Bloomer, an educational consultant who assisted in the preparation of materials for the process and acted as an objective mediator during the consultation meetings. He is a recognised and respected figure in Scottish local government and his career includes seven years as a local authority chief executive preceded by sixteen in senior positions in education. He was a member of the group which wrote 'A Curriculum for Excellence', Scotland's national curriculum strategy. He has been involved in a very wide range of national educational activities and for six years he was vice-chair of Learning and Teaching Scotland, Scotland's curriculum development agency. His report outlining the consultation process and his

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conclusions is attached at appendix 1 hereof.

### 4. Conclusion

- 4.1 The Council has a clear vision for its Education Service which is based on striving continuously to improve the quality of education for all in Argyll and Bute. The current Education review requires education to examine how they may achieve savings of around 15% of their current budgets while minimising any adverse impact on the quality of learning and teaching. The conclusions of the informal consultation will assist the Council, and the education service in particular, to assess and have regard to the views of key stakeholders in education on possible areas for required savings.

### 5. IMPLICATIONS

<i>Policy:</i>	None at present
<i>Finance:</i>	None at present
<i>Personnel:</i>	None at present
<i>Legal:</i>	None at present
<i>Equal Opportunities:</i>	None at present

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# **Consultation on the education budget**

## **Summary of responses**

### **Introduction**

As part of the planning for the 2011/12 and subsequent budgets, the Council Executive decided on May 17th to conduct an informal consultation exercise in the relation to the education budget, which is the largest area of Council expenditure. Meetings were organised in the four Council areas and took place at Lochgilphead, Helensburgh, Oban and Dunoon on dates between June 8<sup>th</sup> and 17<sup>th</sup>. Invitations were issued to parent councils, headteachers, other staff, trade unions, local councillors, two senior pupils from each secondary and the Press. In order to keep meetings to a size that would allow active participation through group sessions, the number of parent, staff and union representatives was limited. In the event, total attendance at the meetings was around 210.

The four meetings followed a common format. After a brief introduction by Councillor Strong, Depute Provost, I gave a presentation indicating the Council's likely financial position over the coming three years and the resulting pressures on the education budget. Following the presentation an opportunity was provided for comment and questions.

The presentation stated that all services had been asked to plan for a budget reduction of 15%. The education share would be of the order of £12m and it was unlikely that this figure could be significantly reduced. Information was provided on how the budget is currently spent. For this purpose, the budget was divided into six main headings and an indication was given as to which major items of expenditure fall under each heading.

Participants were then divided into groups, generally containing around 10 to 20 people. Each group had a separate room and was supported by two Quality Improvement Officers, one acting as Chair and assisting discussion and the other taking notes. The groups were invited to discuss any issues they felt to be relevant to the budget situation and to offer comment on how the necessary level of savings might best be achieved. Group sessions generally lasted for about an hour and a quarter.

After the group discussions, the Quality Improvement Officers presented groups' findings to a concluding plenary session. Councillor Strong offered those attending (and other invitees who had been unable to attend) the opportunity to offer individual comment by email. In the event few comments were received by this method.

In general participants found it difficult to come to terms with scale of the reductions required. Although all groups attempted to make positive suggestions, they were generally able to offer only ideas for small savings. No group was able to assemble a suggested package that came close to the savings target.

The following sections summarise the comments made in the group sessions. An attempt has been made to include all substantive comments that appeared to command some degree of support. In some cases an idea was clearly endorsed by the group as a whole. In other cases a view evidently commanded only minority support. Often, it was unclear whether an opinion was widely shared or not.

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### **Resources**

There was a widespread feeling that more could be done to increase the resources available to the education service.

The most radical suggestion, supported by several groups, was that Council Tax should be increased with the additional resources being earmarked for education or possibly for a limited number of key services. There was no support for an increase simply to augment Council income as participants tended to feel that the Council's priorities might not reflect their own. The scale of any increase thought likely to be acceptable was modest. Participants acknowledged that, even were the whole increase to be devoted to education, the impact on the extent of the savings still required would be limited.

An alternative to raising Council Tax mentioned in some groups was to seek voluntary contributions from parents, specifically for school purposes.

Several groups considered that income could be realised from using assets in a more businesslike manner. An example mentioned more than once was school hostels which, it was suggested, could be let commercially during school holidays. Participants acknowledged after discussion and with some reluctance that, at any realistic estimate of charges and occupancy rates, net income would be small.

Another example, in some ways similar, was the suggestion that closed school buildings should be quickly sold and the income devoted to educational purposes. The distinction between revenue and capital was not widely understood.

A number of groups discussed the possibility that the Council should seek commercial sponsorship for its schools. Business involvement in any of a number of ways could, it was thought, offer opportunities for increasing income.

A single member of one group envisaged a wide range of commercial opportunities of which the marketing of school places to overseas families was the most clearly articulated.

### **Teaching staff**

Although many groups acknowledged that the scale of the savings might make it inevitable that expenditure on teachers would have to be reduced, there was universal reluctance to see staffing levels significantly cut. The quality of the classroom experience provided by the teacher was widely seen as the most important factor contributing to the quality of education overall. For this reason, some groups felt that any savings in this part of the budget should focus on removing unsatisfactory staff.

Some speakers felt that savings could be made by reducing promoted post structures and/or by sharing a single head teacher between two schools. Some participants believed that surplus staff are currently retained in schools and that this should no longer be permitted. If their removal required the introduction of a redundancy policy for teachers, this would have to be accepted. Several participants felt that too much money is spent on absence cover. A number of groups felt that savings could be achieved at the same time as refreshing the profession if an early retirement scheme were to be introduced to allow older teachers to be replaced by newly

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qualified teachers. There was little opposition to these ideas in the groups where they were discussed. However, ideas of this kind could make only a marginal impact on staffing costs.

Slightly more radical suggestions discussed in a few groups included timetabling schools so that classes are filled close to permitted maxima, removing less popular subjects from the curriculum and discontinuing non-core activities. Some speakers felt that music instruction and/or Gaelic fall into this category but there was no general agreement about what should constitute 'core' or 'non-core'. In much the same way, there was no general agreement about whether there was scope to reduce or abolish the Quality Improvement Team.

Some groups considered that more use might be made of innovative technologies such as GLOW. Distance learning could be used to avoid the cost of providing every kind of teaching expertise in every school. This was thought to be particularly relevant to the provision of minority subjects in secondary schools.

Another suggestion was that savings could be made in the teacher staffing budget by freezing or reducing pay and/or the cost of pensions. Participants understood that these were not measures open to Argyll and Bute Council acting on its own. There was some support for the idea that council representatives should press for action at a national level. In all the groups where this issue was discussed there was also vocal opposition to the idea of teachers (or any other group of staff) bearing to a disproportionate extent the cost of a crisis for which they are not responsible. In addition there were concerns about the impact on staff morale and motivation and the future recruitment of quality teachers.

## **Property**

All groups considered that, in any substantial savings package, a significant contribution should be made by savings in property costs. There were few, if any, participants who wished to rule out entirely the possibility of school closures.

This apparent unanimity of view, however, concealed significant differences in attitude. Some contributors considered that the closure of small schools would be likely to bring worthwhile educational benefits, particularly as a result of broadening the range of teacher expertise available to pupils, facilitating group working and extending children's opportunities for socialising and forming friendships. Introducing Curriculum for Excellence was considered by some to be problematic in small schools. Others considered that the loss of the school would be damaging to communities and were inclined to be sceptical about the educational benefits. Others again took the view that considerations of equity required that the disparity of spending per pupil should be reduced wherever it was practicable to do so.

There was, however, widespread agreement that any closures (or amalgamations as some people preferred to call them) would have to be handled in a sensitive and transparent manner. Consideration would need to be given to factors such as travel time and distance, the impact on the receiving school, population trends in the area, the implications for traffic and roads maintenance and, so far as possible, the effects on communities.

Some groups emphasised that decisions on school closures should only be made on the basis of objective criteria (such as occupancy levels) and sound information. In this connection, some contributors believed that the Council's approach to calculating school capacities needed to be reviewed. Although it was recognised that any closure programme would be likely to focus on small rural schools, some participants felt that the possibility of achieving worthwhile savings through amalgamating larger schools in urban areas should not be neglected.

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Some people saw a closure programme as offering the possibility of reorganising schools in ways that would bring educational advantages. Some support was expressed for extending the joint campus concept. There was also a view that bigger schools could be developed as centres of excellence. Amalgamated schools should be operated efficiently with high levels of occupancy and full use of facilities.

The issue of community use of school facilities provoked a number of comments, some mutually contradictory. Several participants expressed the view that community use should be encouraged in order to increase income while others took the view that community use normally incurred costs that outweighed any income obtained. Some groups discussed the possibility of communities taking a larger role in running of schools. Views ranged from communities undertaking some maintenance of grounds or buildings to communities assuming ownership of school premises and leasing them back to the Council.

### **Administration and management**

Several suggestions were made for making savings in administration and management. These did not include simple reductions in management posts. Some groups, however, felt that there was scope for a reduction in bureaucracy, for example paperwork in connection with inspection and quality assurance.

There was a view that some administrative functions might be outsourced to the private sector. Examples offered ranged from finance services to printing. An alternative view was that back office services might be shared with other organisations.

Some groups considered that savings might be made by seeing the cluster rather than the individual school as the administrative unit. Important resources – both human and material – might be shared among the members of the cluster. Examples included headteachers, janitors, training and administrative functions.

There was also support for the idea of giving headteachers greater control over budgets. Decisions made close to where they would have impact were thought likely to be better considered. There might also be opportunities for making savings through the use of local suppliers and contractors.

### **Pre-five services**

There was some disagreement about the value of pre-school provision. A small minority felt that large savings could be made by discontinuing such services (although this would conflict with the Council's statutory obligations). A much more widespread view was that pre-five services were of great value. Some contributors felt that they should be extended by increasing hours or including younger children.

Participants were uncertain about the relative cost-effectiveness of the Council's own nurseries and the provision made by private sector partners. Some felt that all pre-five services should be outsourced but others took the opposite view. The possibility was raised of locating more provision in school premises.

### **Miscellaneous**

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A number of specific suggestions were made that are difficult to place in any category.

A number of participants felt that energy costs could be reduced, perhaps through the use of alternative sources or with the help of bodies such as the Carbon Trust.

Some speakers considered that the subsidy on school meals should be reduced either by discontinuing the service (contrary to statutory obligations) or by increasing the price.

There was a view that the cost of SQA examinations could be reduced if the parents of pupils who did not attend for the examinations were charged the appropriate fee.

Finally, there was a fairly widespread feeling that the whole Council budget should be reviewed. It was not accepted that all areas of spending are of high priority. Instances offered of low priority expenditure included Oban airport, cycle paths and Gaelic road signs. These examples would not necessarily have been viewed in the same way by all participants.

### In conclusion

The consultation attracted participants drawn from across the main groups with an interest in education. Group sessions were generally lively with high levels of engagement.

The opinions expressed do not represent a scientific survey of views across Argyll and Bute. They do, however, offer a genuine sampling of opinion among groups with a keen interest in the subject.

All of the views expressed are clearly worthy of serious attention. However, two issues stand out as having been the focus of the most extensive discussion. Participants attached great importance to the protection – so far as is feasible – of teacher staffing. Equally, there was a very widespread acceptance of the need to make substantial property savings by amalgamating schools.

No other issues featured in the discussions with anything like comparable frequency. This should be borne in mind when considering the following summary.

### Summary of main issues

- **Teacher staffing should be protected as far as reasonably possible**
- **Savings should be made in property costs by amalgamating schools**
- The resources of the education service should be raised, possibly by raising Council Tax, possibly by some voluntary scheme
- Consideration should be given to using the assets of the service to generate income
- A redundancy scheme should be introduced to refresh the profession and reduce costs
- Consideration should be given to a pay freeze and reducing pension costs
- Some support functions might be outsourced to the private sector
- Headteachers should have greater control over resources
- Pre-five services are of great value but the relative cost-effectiveness of the council's service and of private providers should be investigated
- Energy costs should be reduced

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- Other areas of the Council's budget should be reviewed and low priority activities should be discontinued.

Keir Bloomer  
12.7.10