

**FAIR FUNDING TO ACHIEVE EXCELLENCE AND EQUITY IN EDUCATION:
CONSULTATION RESPONSE**

1.0 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide information to, and seek approval of Community Services Committee for Education Services to submit a response to the Scottish Government Fairer Funding consultation which is due by 13 October 2017.
- 1.2 The Government's plans for realising the vision of Improving the education and life chances of our children and young people and to close the gap in attainment between the most and least disadvantaged children and to raise attainment for all is set out in Education Governance: Next Steps – Empowering Our Teachers, Parents and Communities to Deliver Excellence and Equity for Our Children.
- 1.3 The Fair Funding to achieve excellence and equity in education consultation paper sits alongside the Education Governance: Next Steps paper and sets out how Scottish Government will ensure that Scotland's Education system allows children to achieve their full potential, whatever their strengths and background. The paper outlines that in order to deliver this transformational change, our education system must be underpinned by fair and transparent funding that puts schools at the heart of decision making.
- 1.4 The consultation seeks views on the Scottish Government's future approach to school funding highlighting a need to ensure that the way schools are funded needs to recognise the crucial role of the school and support the collaborative and flexible culture proposed within the Education Governance paper.
- 1.5 In order to respond to the consultation Education Services held a joint meeting on 21 August with representatives of the Education Budget Working Group and Head Teacher Advisory Group to discuss the Fair Funding Consultation and prepare a response for consideration and approval by Community Services Committee.

2.0 RECOMMENDATIONS

It is recommended that the Community Services Committee:

- Note the current Scottish Government Fair Funding statutory consultation;
- Note the timescales associated with the statutory consultation;
- Agree the recommended responses to the statutory consultation, prepared jointly by representatives of Education Services, the Education Budget Working Group and Head Teachers' Advisory Group, and
- Approve the submission of the Fair Funding consultation response to Scottish Government by 13 October 2017.

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3.0 INTRODUCTION

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- 3.2 The Government's plans for realising the vision of Improving the education and life chances of our children and young people and to close the gap in attainment between the most and least disadvantaged children and to raise attainment for all is set out in Education Governance: Next Steps – Empowering Our Teachers, Parents and Communities to Deliver Excellence and Equity for Our Children.
- 3.3 The Fair Funding to achieve excellence and equity in education consultation paper sits alongside the Education Governance: Next Steps paper and sets out how Scottish Government will ensure that Scotland's education system allows children to achieve their full potential, whatever their strengths and background. The paper outlines that in order to deliver this transformational change, our education system must be underpinned by fair and transparent funding that puts schools at the heart of decision making.
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5.0 DETAIL

5.1 The consultation document has a number of chapters which set out a number of themes for consideration. These are:

5.1.1 Chapter 1 Why Review School Funding?

The paper illustrates the rationale for a review to the current funding arrangements noting that "Effective governance needs to be supported by a fair and transparent funding system that puts children and young people at the heart of decision-making. It is right that, as part of our whole-system governance review, we ask whether current practice could be improved, and funding more targeted to where it is needed the most".

As set out in Next Steps, the Scottish Government notes that they do not intend to develop a fixed national funding formula. There is little direct evidence at present about the role and success of funding formulas in driving improved educational outcomes. In addition, moving towards a national funding formula could introduce unacceptable instability and inflexibility to education funding. Funding can have an important role to play in achieving positive outcomes and supporting equity. The development of a fair, more consistent, transparent and targeted method of allocating funding could provide a way to address current equity issues within the system.

The consultation seeks views on two possible approaches to achieving that aim.

5.1.2 Chapter 2 Current System of Funding

This chapter describes the current system of funding for schools in Scotland. While there are a series of defined and publicly available methodologies for allocating money from the Scottish Government to local authorities, largely through the local government finance settlement, there is no single transparent approach to allocating money from local authority to education, and then to school level.

The chapter then goes on to confirm that Education represents the largest single part of local government spending, accounting for around 45% of general fund net revenue expenditure in 2015-16. The chapter also describes the

original aims of, and current practice in relation to, Devolved School Management in Scotland.

5.1.3 Chapter 3 Aims and Principles: The Case for Change

Considers the challenges presented by current school funding arrangements, concluding that the current system of funding schools falls some way short of meeting the Scottish Government's aims and principles for any future approach to funding. This chapter also highlights particular issues, and seeks views on how funding could be better targeted to support excellence and equity for all.

5.1.4 Chapter 4 Fair Funding: Future Approach

Chapter 4 describes and seeks views on two possible approaches to future funding.

- I. The intention by Scottish Government to legislate to create a Head Teachers' Charter which will define across Scotland Head Teacher leadership responsibilities. Wherein the Charter could incorporate a standardised Scotland-wide approach to funding allocation, devolving the maximum amount of funding to schools, and
- II. To build on the approach currently being taken in relation to Pupil Equity Funding. Under this approach, more funding would be targeted directly to schools in relation to specific need factors.

5.2 The chapters are then followed by the following eight supporting questions:

Question 1

- (a) What are the advantages of the current system of funding schools?
- (b) What are the disadvantages of the current system of funding schools?

Question 2

- (a) What are the benefits to Head Teachers of the current Devolved School Management schemes?
- (b) What are the barriers that Head Teachers currently face in exercising their responsibilities under Devolved School Management? How could these barriers be removed?

Question 3

How can funding for schools be best targeted to support excellence and equity for all?

Question 4

- (a) What elements of school spending should Head Teachers be responsible for managing and why?
- (b) What elements of school spending should Head Teachers not be responsible for managing and why?
- (c) What elements of school spending are not suitable for inclusion in a standardised, Scotland-wide approach and why?

Question 5

- (a) What would be the advantages of an approach where the current system of funding schools is largely retained, but with a greater proportion of funding

allocated directly to:

1. Schools;
2. Clusters; or
3. Regional Improvement Collaboratives?

(b) What would be the disadvantages of an approach where the current system of funding schools is largely retained, but with a greater proportion of funding allocated directly to:

1. Schools;
2. Clusters; or
3. Regional Improvement Collaboratives?

Question 6

The Scottish Government's Education Governance reforms will empower Head Teachers to make more decisions about resources at their school. What support will Head Teachers require to enable them to fulfil these responsibilities effectively?

Question 7

What factors should be taken into account in devising accountability and reporting measures to support greater responsibility for funding decisions at school level?

Question 8

Do you have any other comments about fair funding for schools?

6.0 Summary of responses to the Fair Funding consultation

6.1 Following the scheduled meeting with Education Services, the Education Budget Working Group and the Head Teachers' Advisory group on 21 August a summary of the responses to each of the seven consultation questions were pulled together to formulate a single response for submission by Argyll and Bute.

6.2 Appendix 2 contains the formulated responses to the consultation questions.

7.0 CONCLUSION

7.1 This report provides information on and seeks approval of Community Services Committee for Education Services to provide a response to the Scottish Government Fairer Funding consultation due to be submitted by 13 October 2017.

8.0 IMPLICATIONS

8.1 Policy

8.2 Financial Not known at this time. However, there may be financial implications for the Council subject to the outcome of the consultation and subsequent Scottish Government

		funding decisions.
8.3	Legal	Potential changes to legislation as it applies to Scottish Education may arise as a consequence of the conclusions from the consultation.
8.4	HR	None.
8.5	Equalities	None.
8.6	Risk	None known at this time.
8.7	Customer Service	This report provides elected members with an overview of the proposed response to the Fair Funding consultation.

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28 August 2017

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