

EDUCATION GOVERNANCE

FAIR FUNDING TO ACHIEVE EXCELLENCE AND EQUITY IN EDUCATION

Analysis of the Scottish Government's Consultation

Rocket Science UK Ltd
February 2018

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Executive Summary

Introduction

The Fair Funding to Achieve Excellence and Equity in Education consultation invited views on the current funding of education, and the principles and considerations for future funding arrangements, including national consistency, delegation of responsibility, accountability and reporting. It also covered the support required by headteachers under a more devolved funding approach. The consultation ran from 15th June 2017 – 13th October 2017.

This report reviews the 85 written responses to the consultation. These were submitted by individuals, representative bodies and organisations. They were categorised into the following respondent groups: local authorities, headteacher/teachers, parents, other organisations, and unassigned individuals. In addition, 6 focus groups were conducted with headteachers across Scotland and the main messages from these discussions are included in this report.

The aim of this report is to present an analysis of the comments received, representing all the material submitted. The approach to the analysis took account of the range of responses received, and the varied material submitted, and provided a robust thematic framework for the analysis based on, but not constrained by, the discussion questions themselves.

Advantages and disadvantages of the current funding system

Respondents identified a range of advantages to the current system. The involvement of local authorities in school funding was considered to be particularly valuable as it was felt to guarantee democratic accountability and the provision of specialist services.

Devolved School Management (DSM) was seen to provide headteachers with a degree of control over funding, but there was some frustration over the lack of transparency and the apparent variation in the level of flexibility and autonomy granted to headteachers working in different local authority areas.

There was broad agreement that the level of bureaucracy within the current system was a major disadvantage. This included lengthy reporting mechanisms resulting from multiple funding streams and burdensome procurement processes.

Respondents raised concerns about the heavy workload currently facing headteachers. There was broad agreement that the time involved in completing certain tasks under DSM schemes is preventing headteachers from focusing on attainment within schools.

Future systems of funding: where and how funding should be targeted, allocated and managed

In general, the view of many was that a Pupil Equity Fund (PEF) type approach to school funding would bring a range of benefits. However, there were anxieties about exactly how money should be allocated, and many respondents stressed the importance of assessing the needs of pupils in a more rounded way.

Many respondents felt that headteachers should have control over staffing, staffing structures and educational resources. Whilst some argued that headteachers should be responsible for dealing with additional support needs, concern was raised over the cost of specialist service provision (e.g. sensory impairment). There was broad agreement across all respondent types that headteachers should not be responsible for utilities and building maintenance.

Increasing funding powers at a school level was seen to improve the responsiveness of schools to local challenges. However, some risks were also identified if schools had greater powers over educational funding, particularly operational risks related to fragmentation, regulation and consistency.

Allocating a greater proportion of funding directly to clusters was not supported by most respondents. While the potential value of clusters from a functional point of view was recognised, most respondents thought that using clusters as a funding conduit would add a layer of bureaucracy and complexity.

Respondents felt that the role of the proposed Regional Improvement Collaboratives was unclear, and therefore found it difficult to comment in detail. However, there were some concerns around the extensive geographical scale of these collaboratives, and respondents felt that decision making could be too far removed from individual schools.

Support and systems needed to implement change

In general, there was wide agreement that headteachers required support to deal with tasks that did not relate to teaching so that they are able to prioritise their leadership of learning. The support required included administration, financial management, and building maintenance issues.

Respondents raised concerns about the level of accountability that headteachers will face under a more devolved funding system, and most felt that accountability for funding decisions should lie at the local authority level. The provision of training was referred to by a wide range of respondents. Whilst some respondents suggested that specialist training would help headteachers to build knowledge and expertise in areas outside of learning and support (e.g. budget management), there was little appetite from headteachers who felt that such tasks should be carried out by someone trained in the relevant field.

Respondents argued that evidence based research could support headteachers in decision making over school budget spending and measuring the impact of school level interventions.

Chapter 1: Introduction

The Fair Funding to Achieve Excellence and Equity in Education consultation invited views on the current funding system of education, and the principles and considerations for future funding arrangements, including national consistency, delegation of responsibility, accountability and reporting. It also covered the support required by headteachers under a more devolved funding approach.

The consultation ran from 15th June 2017 – 13th October 2017. The consultation paper contained 13 open ended questions¹.

Rocket Science UK Ltd was commissioned to analyse all written responses to the online consultation paper and any additional responses submitted to the Scottish Government in alternative formats such as letters or stand-alone documents. To complement this data, and gain a more detailed understanding of the views and opinions of headteachers, Rocket Science was also asked to conduct focus groups with headteachers and deputies across Scotland. This report summarises the key themes to emerge from the written responses and the focus group discussions.

1.1 Respondent profile

1.1.1 Written responses

A total of 85 written responses were received. Respondents were assigned to the following categories:

- **Headteachers/teachers (19):** This category comprises individual headteachers or teachers and eight representative bodies. Where 'headteachers/teachers' are referred to in this report, we mean this group.
- **Parents (14):** This group includes individual parents and parent councils. Throughout this report, this group are referred to as 'parents'.
- **Local Government (25):** This includes local authorities and representative bodies. Throughout this report, respondents in this category are referred to as 'local government' or 'local authorities'.

¹ A copy of the consultation document which includes a complete list of questions asked is available on the Scottish Government website: <http://www.gov.scot/Publications/2017/06/2057/downloads#res521081>

- **Other organisations (19):** other organisations that do not specifically represent teachers, parents, or local government but represent other views on the education sector; and
- **Unassigned individuals (8):** Respondents could only be categorised by assessing the content of their written submissions. There were five submissions that did not include the information required to allocate them to a specific category.

The list of organisations responding to the consultation can be found in Appendix 1.

1.1.2 Focus groups with headteachers

Six focus groups, each lasting 90 minutes, were run in the following locations across Scotland:

Location	Date
• Edinburgh	• 27 th September 2017
• Inverness	• 2 nd October 2017
• Aberdeen	• 3 rd October 2017
• Glasgow	• 4 th October 2017
• Perth	• 5 th October 2017
• Dumfries	• 9 th October 2017

Overall, these focus groups were attended by 24 headteachers and 1 depute from 15 different local authority areas. 10 attendees were from primary schools, with another 10 from secondary schools. The remaining attendees included headteachers covering early years education, a 'cluster' of nursery, primary and secondary schools, and a 'virtual school' for looked after children.

1.2 Methodology

This section outlines our methodology for research, analysis and reporting.

1.2.1 Written responses

Rocket Science drew down the written responses submitted through Scottish Government's online consultation portal 'Citizen Space'. This was then uploaded in NVivo. Other submissions such as emails and letters were also uploaded into NVivo to provide a complete picture of all written responses.

NVivo is an online qualitative analysis programme that enables the coding of responses into categories of key messages. All messages and viewpoints expressed in each written submission were coded using an NVivo framework. Once all responses were coded, the coding framework was reviewed and reorganised to bring together the key messages. NVivo then allows filtering by message and subgroup to enable accurate and detail analysis.

1.2.2 Focus Groups

Focus groups participants were recruited by Scottish Government through School Leaders Scotland (SLS) and the Association of Headteachers and Deputies in Scotland (AHDS). SLS and AHDS asked their members to volunteer for participation in the focus groups. 36 headteachers volunteered to participate, with 25 actually attending (24 headteachers and 1 depute).

A topic guide for the focus groups was created based on the consultation document. The topic guide can be found in Appendix 2.

Two Rocket Science staff attended each focus group: one facilitated the focus group, while the other took notes. These notes were then used to pull together the main messages and quotes used in this report.

1.2.3 Analysis

This report summarises the key messages from the written responses to the discussion paper and focus groups. It is important to note the following:

- Not all respondents covered all the key messages. This report provides an indication of the number of respondents that referred to each of the issues discussed;
- In the analysis of responses, information about respondent type is given where it is evident that certain perspectives are more prevalent amongst one or more respondent group. Where respondent group is not indicated, this is because the perspectives raised in responses did not differ significantly between different respondent categories.
- Care should be taken when interpreting the frequency of an issue being raised by respondents. Some issues were raised more frequently because specific questions were asked about them;
- As the focus groups were attended by a small number of headteachers, these findings should not be treated as representative of the views of headteachers across Scotland. Instead, the focus groups provide additional insights into headteachers' thinking, and indicates some potential areas for further investigation; and
- We were unable to determine which headteachers attended a focus group and submitted a written response. Therefore, the overall number of headteachers represented in the consultation as a whole is not known.

Throughout this report the main focus is on exploring the qualitative views submitted by respondents. However, in considering the findings of the analysis, it is important to bear in mind that views gathered through an open consultation exercise cannot be regarded as representative of the views of the population as a whole. Rather, they are the views of people and organisations who were aware of the consultation, have an interest in the subject under discussion, and have the time, opportunity and capacity to take part.

When discussing the prevalence of the views and opinions expressed, the following terms are used to reflect the numbers responding:

- 'Few' means between 5 and 9%
- 'Some' means between 10 and 19%
- 'Many' means between 20 and 49%
- 'Most' or 'majority' means 50 to 74%
- 'Large majority' or 'broad agreement' means 75 to 89%
- Consensus means 90%+

These terms apply when we refer to all respondents and to the individual respondent groups defined in section 1.1.1. It is important to note that, generally, where points are listed in this report, they are listed in order of frequency: the point most frequently mentioned by respondents is listed first, the second most frequently is listed second, and so on.

This report provides an accurate and comprehensive summary of the views expressed by respondents. It does not provide policy recommendations. The views and opinions presented are those of respondents and do not necessarily reflect the views of the Scottish Government.

1.2.4 Report structure

This report is structured as follows:

- **Chapter 2** contains views on the current funding arrangements. It includes views on the advantages and disadvantages of the current system and the benefits and barriers presented by devolved school management (DSM) approaches;
- **Chapter 3** outlines the views on future systems of funding, namely where and how funding should be targeted, allocated and managed;
- **Chapter 4** describes responses to questions about the support headteachers require and the systems needed to implement change;
- **Chapter 5** outlines other issues raised by respondents that were not covered by questions 1 to 7 of the consultation. In practice, this meant references to the approach of extending the Headteachers' Charter.
- **Appendix 1** includes the list of organisations that responded to the written consultation.
- **Appendix 2** presents the topic guide used at the headteacher focus groups.

Chapter 2:

Review of the current funding system

Summary

Respondents identified a range of advantages to the current system. The involvement of local authorities in school funding was considered to be particularly valuable as it was felt to guarantee democratic accountability and the provision of specialist services.

While Devolved School Management (DSM) was seen to provide headteachers with a degree of control over funding, there was some frustration over the lack of transparency and the apparent variation in the level of flexibility and autonomy granted to headteachers working in different local authority areas.

There was broad agreement that the level of bureaucracy in the current system was a major disadvantage. This included lengthy reporting mechanisms resulting from multiple funding streams, and burdensome procurement processes.

Respondents raised concerns about the heavy workload currently facing headteachers. There was broad agreement that the time involved in completing certain tasks under DSM schemes is reducing the time headteachers have to focusing on attainment within schools.

This chapter outlines the key messages arising from both the written submissions and focus groups regarding the current funding system. It answers the following questions in the consultation:

Question 1

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

Question 2

- (a) What are the benefits to headteachers of the current Devolved School Management schemes?

- (b) What are the barriers that headteachers currently face in exercising their responsibilities under Devolved School Management? How could these barriers be removed?

Question 1: Advantages and disadvantages of current system of funding schools?

Overall, responses to this question revealed both variations and differences of opinion.

While some respondents cited the 'equitable nature' of the current system of funding as a major advantage, many more argued that the allocation of resources within and between local authority areas was inconsistent and unfair.

Similarly, while some respondents argued that clear methodologies underpinning funding allocations meant that the system was transparent and offered accountability, perceived disparities had led several local authorities and headteachers/teachers to question the mechanisms behind decision making.

Opinions were also divided on the level of predictability in terms of funding under the current system, with some respondents citing this as an advantage but more arguing that they felt restricted by nationally set targets and short-term funding arrangements.

There was, however, broad agreement that the involvement of local authorities in managing risk and providing services that did not relate to teaching and learning was an important and valuable aspect of the current system.

2.1 Advantages of the current funding of schools

The consultation document asked respondents about the advantages of the current system of school funding. 78% of respondents answered this question.

This section does not include messages on the DSM schemes except where messages are discussing general advantages which include DSM. Specific issues relating to DSM are covered under Question 2 in this chapter.

A range of advantages were identified and have been listed in order of prevalence, beginning with the most frequently cited:

1. Local authority involvement in education and school funding;
2. The equitable nature of the system;
3. The predictability and transparency of the system;
4. Funding flexibility at the school level.

These themes are discussed in more detail below.

2.1.1 Local authority involvement in education and school funding

The involvement of local authorities was identified as a strength across the board, particularly among parents, headteachers/teachers, other organisations and local government. The main strengths suggested by respondents are detailed below:

- Most respondents highlighted **the importance of specialised services that are currently provided by local authorities**. Local authority management of school services that do not relate to teaching was felt to be appropriate as it allowed headteachers more time to focus on 'leading learning'. The services most frequently referred to were building maintenance, facilities, accountancy, and the management of contractors. Some respondents also argued that certain services currently available to all schools as a result of budget sharing would not be viable at a school level. These included services related to additional support needs (ASN), educational psychology, social, emotional and behavioural needs (SEBN) and training for staff on specialist skills.
- A wide range of respondents argued that **it was important that certain risks were managed at a local authority level**. The main examples provided were financial risks associated with factors outside a school's control, such as the cost of absence cover for staff on long term sick leave, transport costs in rural areas, and the training of underperforming or newly qualified teachers (NQT).
- **Accountability to the democratically elected council** was regarded as a strength of the current system by many respondents. For this reason, it was argued that local authorities should continue to play a role in decision making around education and school funding.

- A few respondents felt that **local authorities were best placed to manage and allocate the education budget, given their knowledge and understanding of local needs**. There were several references, mainly from local government and other organisations, to the understanding that local authorities have of schools in the area and the broader policy context (for example, supporting the 'Developing the Young Workforce' agenda). For these reasons, respondents felt that local authorities could ensure that funding is targeted to those most in need and that allocations account for economies of scale. However, many headteachers/teachers completing written submissions and participating in the focus groups felt that the current system for allocating funding failed to account for economies of scale, leaving smaller, rural schools at a disadvantage.

“[The current funding system] combines local democratic accountability with economies of scale which provides value for money” – Other organisation.

2.1.2 The equitable nature of the system

Some responses referred to the way in which the current system **promotes equity in educational opportunities**. This included the following elements:

- A needs-based funding allocation system based on school roll and pupil need which “*ensures that all schools get an equitable amount*” – Local Government;
- Further targeted funding programmes such as the Attainment Challenge, Pupil Equity Fund, the 1,140 hours of early learning, and the Devolved School Management (DSM) systems; and
- An ability to re-deploy surplus teachers to cover gaps as required.

2.1.2 The predictability and transparency of the current system

Some respondents felt that the current funding system had the merit of predictability. Funding allocations made by local authorities **followed clear methodologies that provided schools with predictable and consistent funding allocations**. Several respondents felt that this process was consultative and that there were good working relationships between local authorities and schools.

A few respondents also felt that the level of transparency around funding and governance in their area was good and that this was an important feature of the current system.

2.1.3 Funding flexibility at the school level

Some respondents, predominantly local authorities, argued that the **current flexibility that headteachers had for funding at a school level was a strength of the current system**. For example, there were a few references to the fact that there is no maximum amount that can be spent on a child, meaning local authorities and schools can recognise and respond to individual needs.

2.2 Disadvantages of the current funding of schools

The consultation document asked respondents about the disadvantages of the current system of school funding. 72% of respondents answered this question.

This section does not include messages on the Devolved School Management (DSM) schemes except where messages are discussing general disadvantages which include DSM. Specific issues relating to DSM are covered under Question 2 in this chapter.

A variety of disadvantages were identified and have been listed in order of prevalence, beginning with the most frequently cited:

1. The level of bureaucracy with the current system;
2. Inequitable allocation of resources within the current system;
3. Insufficient funding for education undermines progress;
4. Insufficient flexibility of the current system;
5. Insufficient accountability and transparency in the current system.

These themes are discussed in more detail below.

2.2.1 The level of bureaucracy with the current system

The majority of respondents regarded the high level of bureaucracy within the current system as a disadvantage. Local authorities and headteachers/teachers were most likely to make this point; however, this was also supported by many parents and other organisations.

“The system is overwhelmed with paper.” – Headteacher/teacher

In addition to a general view that the system was overly bureaucratic and required too much reporting, three particular issues were identified:

- Having **multiple funding streams added to the level of bureaucracy in the system**. There were specific references to the reporting and monitoring involved in Pupil Equity Funding (PEF) and the Attainment Scotland Fund (ASF).
- The **processes in place for staff recruitment and procurement were considered burdensome for schools**. Some respondents argued that council procedures involved in recruiting new staff made it difficult to respond quickly and flexibly to staff shortages. Headteachers participating in the focus groups considered procurement processes to be inefficient and time consuming and they involved long delays. Some argued that they would be able to find better deals, more quickly, themselves and that they should have this option.
- As the financial year does not align with the school year and **unspent funds cannot always be ‘carried forward’** from one year to the next, this can place restrictions on how and when money can be spent.

2.2.2 Inequitable allocation of resources within the current system

The large majority of other organisations argued that the allocation of resources both within and between local authorities was inequitable. This was supported by many local government respondents, parents and headteacher/teachers.

There were many references to **perceived variations in the amount allocated to education budgets by different councils** and the level of control granted to headteachers over school budget spending.

Many respondents felt that **disparities were apparent across local authorities**. This included different approaches taken to class sizing, per pupil spending, support available for pupils with, for example, ASN, or dealing with LGBT issues. This was felt to be inconsistent and unfair.

Two respondents felt that **it was inequitable to have a national teacher wage as it did not account for different living costs across Scotland**. This therefore compromised the ability of schools in certain regions to recruit quality teachers.

2.2.3 Insufficient funding for education

The majority of respondents argued that there was insufficient overall funding for education. The quotes highlighted below summarise the views across different types of respondents:

“What schools need is improved funding levels, not a complex redistribution of the current inadequate funding.” – Other organisation.

“No system can make up for manifest funding shortages and cutting of services that benefit and assist pupils.” – Parent.

“To allow headteachers to make the best decisions for their school the appropriate resources would need to be put in place... question whether simply giving more financial responsibility to headteachers will encourage excellence and equity for all.” – Other organisation.

The current level of funding was thought by respondents to have resulted in the following issues:

- A shortage of teachers;
- Difficulty managing school estates;
- A reduction in back office support and administration;
- Difficulty addressing ASN.

One local government respondent in particular mentioned that, in an environment of heightened scrutiny of budgets, developing simple funding systems becomes difficult.

2.2.4 Insufficient flexibility of the current system

Many respondents referred to the inflexibility of the current system for funding. This applied to two key areas: restrictions imposed by national guidelines and targets, and the constraints of year-to-year funding.

- Most local authorities and other organisations mentioned **inflexibility in the context of nationally set targets and restrictions**. Some examples included the recommended pupil-teacher ratio, teacher

number restrictions, non-class contact time and working time agreements.

- **Single year funding arrangements were also said to constrain longer term planning and investment.** This point was raised by some local authorities and many headteachers who participated in focus group discussions. There were specific references made by both respondent groups to the changeable nature of the amount received each year, making it difficult to predict and plan accordingly.

2.2.5 Insufficient accountability and transparency in the current system

Several respondents perceived there to be a lack of accountability and transparency in the mechanisms used to allocate funding. Local authorities and headteachers/teachers were most likely to refer to this issue. However, local authorities were referring to the allocation of funding from the Scottish Government, while headteachers were referring to the allocation of funding from local authorities.

Many headteachers involved in the focus groups discussions felt unclear about the rationale for variations in the amount of money allocated to primary and secondary schools and schools operating in different local authority area. This appeared to have led to some distrust in council decision making.

Question 2: Benefits and barriers of Devolved School Management schemes

2.3 Benefits to headteachers of the current Devolved School Management schemes

The consultation document asked respondents about the benefits of the current Devolved School Management (DSM). 59% of respondents identified benefits to DSM schemes. The key benefits in order of prevalence were:

- Headteacher control over funding;
- Local authority support;
- Clarity and planning.

These are outlined in more detail below.

2.3.1 Headteacher control over funding

Many respondents, predominantly local authorities, argued that the current system gives headteachers local control over funding and improves decision making at the school level. Three aspects of this were mentioned:

- Some DSM schemes **provide an agreed mechanism for schools to carry forward unspent funds to the next financial year**. This gives headteachers the possibility of more effective budget planning, such as being able to plan larger items of expenditure which are in line with the school's long-term improvement plan. There was widespread agreement amongst headteachers participating in focus group discussions that the ability to 'carry forward' funding allowed for greater control over school budgets, but there was some frustration that this option was not provided to headteachers in all local authority areas.
- Some DSM schemes allow headteachers **the flexibility of transferring funds** between different budget headings (referred to as 'viring').
- All headteachers involved in the focus groups stated that they would like greater flexibility in how they spend additional funding. While there appeared to be considerable variation in the level of autonomy granted to headteachers working in different local authority areas, some of **those who appeared to have more autonomy argued that they were restricted by guidelines and reporting measures imposed by their local authority**. There was broad agreement that headteachers best understand the needs of pupils in their schools, and it should therefore be their responsibility to decide how additional funding is used.

2.3.2 Local authority support

Many respondents considered the level of support available to headteachers from their local authority as a major advantage of DSM schemes. This was supported by both headteachers/teachers and local authority respondents, who identified two main reasons for this:

- While the current DSM arrangements can give headteachers 'local control over funding' (see 2.3.1.), it equally **frees them from wider financial responsibilities and accountabilities which currently rest with the local authority**. Many argued that this ensured headteachers were not overburdened with bureaucracy and allowed them more time to focus on learning and teaching.

- In terms of the support provided by local authorities under DSM, **many respondents felt that it was important that headteachers could access pooled services.** These included legal services, IT services, human resources, school transport, and school repairs and maintenance.

2.3.3 Clarity and planning

Many local authorities felt that DSM was beneficial to headteachers as it provides clear guidelines and the opportunity for long-term planning. Two particular aspects of this were identified:

- **DSM provides clear and transparent guidelines** and is well understood by all relevant stakeholders, including headteachers. Conversely, many headteachers participating in the focus groups described feeling uncertain about the guidelines.
- **Under DSM, schools are advised, in advance of each school year, which funds will be available to them.** Respondents argued that this allowed headteachers, in partnership with their school staff and their local authority, strategically to plan expenditure and allocate resources over the academic year.

Chapter 3: Future systems of funding

Summary

In general, the view of many was that a PEF type approach to school funding would bring a range of benefits. However, there were anxieties about how exactly money should be allocated and many respondents stressed that the needs of pupils should be assessed in a more rounded way.

Many respondents, particularly local authorities and headteachers, felt that headteachers should have control over staffing, staffing structures and educational resources. Whilst some argued that headteachers should be responsible for dealing with additional support needs, local authorities and other organisations raised concern of the costs of specialist service provision (e.g. sensory impairment) which they believed should be managed at local authority level. There was broad agreement across all respondent types that headteachers should not be responsible for utilities and building maintenance.

According to some (mainly parents, local authorities and other organisations), increasing funding powers at a school level had the potential to improve the responsiveness of schools to local challenges. However, the majority of respondents expressed concern over the risks attached to this arrangement. Local authorities and other organisations were most likely to refer to operational risks related to regulation and consistency.

Allocating a greater proportion of funding directly to clusters was not supported by most respondents. While the potential value of clusters from a functional point of view was recognised by local authorities and other organisations, most respondents thought that using clusters as a funding conduit would add a layer of bureaucracy and complexity.

Respondents felt that the role of the proposed Regional Improvement Collaboratives was unclear, and so found it difficult to comment on detail. However, there were some concerns around the extensive geographical scale of these collaboratives, and felt that decision making could be too far removed from individual schools.

This chapter outlines key messages on the proposals to change the way schools are funded. It answers the following questions in the consultation:

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 headteachers be responsible for managing and why?
- (b) What elements of school spending should headteachers 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:
 - a. Schools
 - b. Clusters
 - c. 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:
 - a. Schools
 - b. Clusters
 - c. Regional Improvement Collaboratives

The answers to these questions are provided in more detail below.

2.4 Barriers that headteachers currently face in exercising their responsibilities under Devolved School Management (DSM) and how these barriers could be removed

The consultation document asked respondents about the barriers headteachers currently face in exercising their responsibilities under DSM, and how these barriers could be removed.

This section includes specific messages on the DSM approach. It is important to note, however, that many of the barriers identified here also relate to the disadvantages of the system as a whole.

The main barriers identified were, in order of prevalence (beginning with the most frequently mentioned):

- The insufficient level of control granted to headteachers;
- Headteachers' workloads;
- The level of bureaucracy involved in administering DSM;
- The capability of headteachers in completing tasks that do not relate to learning.

These are now considered in more detail.

- Many respondents felt that **the level of control headteachers had under DSM was insufficient to effect change**. This included many parents, local authorities, headteachers/teachers and other organisations. There were specific references to the limited control headteachers have over staffing structures. Many headteachers participating in the focus group discussions felt frustrated by the different levels of autonomy granted to headteachers working in different local authority areas. Some participants were able to manage their own staffing structure and create new roles, while others described themselves as having no control over this area.
- The **current workload facing headteachers** was argued by a range of respondents to prevent effective management of DSM schemes. There were many references to the '*overly complicated*' bureaucracy associated with administering DSM, and the time required of headteachers to complete administrative tasks. It was widely agreed that headteachers required greater administrative support in order to focus their attention on management and planning.

- Some respondents raised concerns that **headteachers did not have the competencies required to meet their full responsibilities under DSM**. This point applied to duties that were not directly related to teaching and learning, with the majority of comments highlighting the need for business management skills. This issue is discussed in more detail in chapter 4 of this document.

Question 3: How can funding for schools be best targeted to support excellence and equity for all?

The consultation asked how funding for schools can be best targeted to support excellence and equity for all. Respondents covered three main issues in their responses to this question:

1. Features of a PEF type approach to funding and considerations regarding the extension of this
2. The allocation system for targeted funding
3. Funding for Additional Support Needs (ASN) and looked after children

3.1.1 The features of the Pupil Equity Fund (PEF) and the extent to which this improves targeting to support excellence and funding for all

The PEF approach was one of the two approaches to fair funding presented in the consultation document and attracted a wide range of comments (the other being to extend the Headteachers' Charter to enhance consistency of funding). Most respondents (51%) mentioned PEF in a variety of contexts, identifying both strengths and weaknesses to the approach.

3.1.1.1 Advantages of a PEF type approach to targeting funding

Overall, there were some positive comments from local authorities, parents, headteachers/teachers and other organisations about the value of PEF and the scope for extending the PEF approach to targeting funding:

- A few local authority respondents felt that PEF in its current form **encourages creativity, ideas and cluster working** – though there was a recognition that pooling funding on a cluster basis was unusual *'despite encouragement to do so'*. A specific example was provided by one other organisation which stated how PEF had allowed schools to go out and visit heritage resources in their communities, and the

“opportunity for schools to think creatively about raising attainment and opportunities for one-off trips and projects to improve health and wellbeing.”

- An organisation representing headteachers highlighted the need to **extend PEF arrangements to pre-school settings to tackle disadvantage at the earliest stages**. This point was also raised by all headteacher focus groups. Participants argued that if there was greater investment in early years interventions, it would help to alleviate the deep-seated issues they were dealing with at later stages, and so reduce the scale of costly interventions currently required in primary and secondary schools.

A range of other points were mentioned, albeit at lower levels, including:

- A few respondents considered that PEF had proved successful in targeting schools with a high proportion of children who live in deprived areas;
- One headteacher/teacher felt that PEF had created opportunities for disadvantaged learners;
- One parent suggested that PEF was widely accepted by parents as a useful initiative for tackling disadvantage.

3.1.1.2 Concerns related to extending a PEF type approach to targeting funding

Many respondents, particularly parents, local authorities and other organisations **raised concerns about adopting the formula for allocating PEF** (i.e. based on Free School Meals (FSM)) and the need for a more sophisticated approach in any future model. This view was also expressed by many headteachers who participated in focus group discussions. A number of points were made on this matter:

- One parent felt that using FSM is *“a blunt tool and misses many vulnerable students”*. Another parent felt that **FSM as an indicator of poverty needed to be complemented by a reflection of the other factors that reduce attainment**: *“Adverse Childhood Experiences such as divorce, abuse, etc also impact attainment”*, as well as issues such as dyslexia and autism. Many headteachers who participated in the focus groups also stressed this point. Specific examples provided included pupils who were suffering mental health problems as

a result of neglect, as they had parents who were 'cash rich and time poor'.

- A local authority respondent stressed the limitations of the present allocation of PEF (based on FSM): **the uptake of FSM can vary widely within communities**, and the children for whom the funding is allocated may not be the children who require support to raise attainment.
- The issue of the **stigma related to applying for FSM** – so reducing the potential scale of PEF income of schools in deprived areas – was identified by some respondents. One respondent described how some schools had not benefited from PEF, despite being in areas of high deprivation, as families had not completed the FSM application form. In addition, one other organisation pointed out that Armed Forces children do not qualify for FSM and so there may be a need for targeted funding for them.
- Some local authority respondents covering rural areas stated that **neither FSM or SIMD helped them to target pupils experiencing disadvantage**. Two of them considered that PEF produced very small amounts of money for their rural schools and dispersed it too widely to make it useful for funding interventions. So, if a PEF type approach to targeting funding according to need was to be extended, it would need to use different approaches to make a significant difference to schools in rural areas.
- Another local authority respondent stated that **schools have attainment challenges regardless of FSM status and needed support to address these**, *“Any funding system based on the PEF formula would be far from fair as the methodology is fundamentally flawed.”* This respondent stated that many remote, rural and island communities suffered in other ways *“...as statistics from the SIMD don't support the need for additional funding towards education”*. One other organisation made a plea for a **more sophisticated, research based measure of child poverty** to be applied to determine additional levels of funding based on need, and defining poverty in a way that made allowance for vulnerable families not in SIMD 1 and 2, nor in receipt of FSM.

3.1.1.3 Other issues around extending a PEF type approach

A number of respondents identified other issues around the PEF approach to targeting funding:

- Some Local Authority respondents saw PEF as having **created additional bureaucratic requirements**. This was to do with:
 - *“The separate accounting from school’s DSM budget, which required different codes to be set up and different HR and SEEMiS markers to be established so that any staff, services and resources bought from PEF funding could be accurately tracked and not double counted in the September census.”*
 - An issue around job sizing – which is currently based on allocated budgets and staffing through DSM. Potentially, *“Headteachers could be using relatively large budgets to employ extra staff, but none of this can be counted for job sizing”*.
- One local authority respondent was anxious that, *“...a proposal to extend PEF by allocating funding on a formulaic basis... would **create more complexity, more variation, by-pass democratic accountability, and increase the workload of headteachers**”*.
- One other organisation referred to Enquire (the Additional Support for Learning helpline) and stated that *“...funding models like PEF **may actually contribute to long term inequity of outcome for children and young people with ASN** as it may be hard for schools to resist using additional funds to plug its existing gaps in funding, such as staffing”*.
- Finally, there were anxieties from a few Local Authorities and one other organisation that **PEF had created ‘silo’ working which can detach important elements of education from a ‘whole system’ approach**. They felt that the way in which money is spent can be driven by the individual priorities of headteachers with no clear link to children’s service planning, community planning or wider Local Outcome Improvement Plans. These Local Authorities therefore felt that extending a PEF-type approach to overall funding of education may put integrated working at risk.
- One other organisation raised the point that **the focus should not be exclusively on the poverty gap** but on *“...the potential gap, i.e. the extent to which pupils are supported to achieve their fullest potential”*.

3.1.2 The allocation system for targeted funding

A few respondents (one parent, one Local Authority and 2 headteacher/teachers) considered it important that there was **core funding of schools** to ensure excellence and equity for all. Respondents stated this should be assessed using a range of factors.

“Every school should receive a core entitlement to run the academic year with flexibility built in for an over or underspend and future planning. Additionality would then be given taking into account issues such as rurality, deprivation, the level of need within the school, condition of the building and other appropriate factors” - Local Authority

- Another Local Authority stressed the need to **remove ring-fencing to allow heads to make the decisions to support excellence and equity in their establishments...** *“This would include the removal of teacher number requirements as it may not always be the number of teachers but rather the quality which is the issue”.*
- A Local Authority and some focus group headteachers stressed the need to **appreciate the place of schools within a wider support context** – *“Funding needs to be targeted to schools and centres but also to social work, health and other agencies supporting the development of the whole child.”*
- Some parents made the case for a **more comprehensive and accurate funding method for calculating deprivation.** *“Funding which targets areas based on SIMD data is not only inappropriate for rural areas but also inaccurate for urban areas...due to the significant proportions of families living in private (landlord) housing due to a lack of social housing”.*
- Many other organisations presented points about how to improve the current method of school funding and their points included:
 - It needs to **take disability into account**, *“Inclusive schools in areas of little or no deprivation may not qualify for additional funding to support pupils with ASN.”* The main point was that a child with a disability can be anywhere in the school system, and their support needs are the same whether or not they are in a deprived area.

- The model needs to take into account a wide range of social factors such as **deprivation, health and child poverty**.
- Calculations of cost per pupil need to be made on the basis of a *“level playing field which takes account of the diverse nature of local authorities – for example, urban vs rural, affluent vs deprived, special schools vs all-inclusive schools”*.
- A parent made the case for schools to have **dedicated funds to encourage wider parental engagement**, which could be used in a range of ways, such as paying for meals, transport, childcare, specialist tutors, craft materials and supporting homework clubs. They also stressed the importance of the flexibility that headteachers had to identify and target the needs of their pupils.
- One other organisation stressed the wider **need for flexibility to be built into the education system to support local decision making** and strategic decisions about how best to overcome local challenges, whether caused by geography, deprivation or other circumstances. One respondent stated that, *“...it was important for local policy and funding decision to be based on local contexts – the school estate, the roll of small schools, maintaining teacher numbers locally – making simplicity at the national level difficult...Decisions should be taken as close to pupils as possible, but the wider policy context removes flexibility for local authorities which in turn removes their ability to pass flexibility down to schools.”*

3.1.3 Funding for Additional Support Needs (ASN) and looked after children

A range of respondents stressed the importance of ensuring an effective funding response to the needs of children with ASN, and looked after children, when seeking to close the attainment gap. Respondents made the following points:

- A headteacher/teacher emphasised the fact that **many young people in high SIMD deciles have ASN**, and targeted funding needed to respond to the different scale and nature of ASN needs across different SIMD deciles.

- A teachers' union stressed the **need for consistency in additional support for learning provision**. For looked after children, where an assessment of ASN did not take place, wide variations were evident in the proportion of children assessed as having no additional support needs, as well as in the response to an ASN assessment. The recommended response to narrow the attainment gap was for funding to follow particular pupils, and be allocated on the basis of need.
- A parent organisation reflected the views of parents that **children with ASN are suffering disproportionately from budget cuts**, and another parent described the need for more support for families who are struggling to support their children (through regular mentoring for parents and children at home, support networks, or more support for vulnerable children in school).
- One Local Authority regretted the **lack of reference to children with ASN in the consultation document** and stressed the need for *"...discrete services than can only be viable at an authority/regional level"*. Another Local Authority emphasised that the organisation of ASN will always vary across local authorities and, while it may make sense in small urban local authorities for those with complex ASN to have these needs met in a centralised unit, this is not possible in rural areas. Alterations to school buildings must be made to support them, with related cost implications in terms of both buildings and staff.
- A similar point was made by another organisation about **children with visual impairment** and the need for the expectation of mainstreaming to be matched by proper funding and support in a targeted way.

Question 4: Headteachers' responsibility for school spending

3.2 Elements headteachers should be responsible for

The consultation document asked respondents to identify the elements of school spending that headteachers should be responsible for managing, and the reasons for this. 66% of respondents answered this question. Of those who did, almost a third believed that headteachers should be responsible for all school spending. Only one respondent felt that headteachers should have no responsibilities relating to school spending. Others argued that headteachers should be responsible for certain elements of school spending.

Due to the open nature of the question, a wide variety of categories were identified. The most frequently mentioned elements were:

- Staffing powers;
- School spending related to learning and teaching;
- Additional Support Needs interventions;
- Choosing providers of support.

These themes are discussed in more detail below.

3.2.1 Staffing powers

Most of the respondents who answered this question felt that staffing powers should be the responsibility of headteachers. These included local authorities, parents, headteachers/teachers and other organisations. More specifically, it was argued that the following responsibilities should be given to headteachers directly:

- Control over the **appointment of both teaching and non-teaching staff** (such as parent support advisers) as this would enable headteachers to “*target support where required*”. A few respondents highlighted that this should also apply to supply staff. Some of the headteachers participating in the focus groups were part of a ‘pooling system’ for recruitment - generally, they found this to be restrictive and frustrating.

- Many respondents thought headteachers should be **responsible for designing and managing their staffing structure** including promoted posts. It was explained that this would allow headteachers to make the best use of local resources, capitalising on “*existing skill sets and experience*” to “*maximise their potential*”. Headteachers involved in the focus groups who currently had control over their staffing structure found this to be particularly advantageous. It was argued that this allowed them to respond flexibly to changing needs at their school, for example, by creating new roles.

3.2.2 School spending related to learning and teaching

Many respondents, predominantly local authorities and headteachers/teachers, felt that headteachers should be responsible for all spending related to teaching and learning. It was widely argued that headteachers were **best placed to decide on the educational resources required** to support pupils to achieve under the curriculum:

“The headteacher knows the schools needs more than anyone else and, without this control, effective planning and a strong education will falter.”
– Parent Council.

Another point raised by many respondents was that headteachers should be **responsible for procuring educational resources**, such as stationary, IT equipment and reading materials. Headteachers involved in the focus groups frequently referred to the long delays involved in current procurement processes and felt that they would be able to find ‘*better value*’ goods themselves.

While local government respondents were broadly in favour of giving headteachers greater flexibility and responsibility in procuring educational resources, most felt that this should still be under a centrally managed procurement framework in order to protect schools from financial risk and exploitation.

A final example provided by a combination of headteachers/teachers, local authorities and other organisations was **headteacher control over the training delivered to their staff**. It was argued that if individual headteachers were given control over training delivered to their staff, they could ensure that staff development was better aligned with individual school improvement plans.

3.2.3 Additional Support Needs interventions

Although this was not specifically asked in the consultation document, some local authorities and other organisations argued that headteachers should be responsible for **managing the budget for Additional Support Needs (ASN) at a school level**. Local authorities and other organisations felt that this group had very specific needs in terms of attainment, and it was argued that greater headteacher control of the ASN budget could contribute to raising attainment and reducing the attainment gap.

3.2.4 Choosing providers of support

Some local authorities, headteachers/teachers and other organisations argued that headteachers **should be given responsibility for deciding which service providers to access**. These included:

- Educational Psychology;
- Careers services;
- IT services.

3.3 Elements headteachers should not be responsible for managing

The consultation document asked respondents about the elements of schools funding that headteachers should not be responsible for. 62% of respondents answered this question.

Three key areas of responsibility were identified in the responses:

- There was broad agreement across all respondent types that **headteachers should not be responsible for utilities and building maintenance**, including procuring and managing IT systems;
- Many respondents, particularly local authorities and headteachers/teachers, felt that headteachers **should not be responsible for certain financial management tasks** such as accounting and payroll;
- While there was widespread support for headteachers having greater control over the general budget for Additional Support Needs (ASN), the majority of local authorities and many other organisations raised **concerns about specialist services**. These included psychological services, English as a second language support, LGBT issues, and costly equipment for those with sensory impairment. It was argued

that managing these costs at school level would be inefficient, affect existing budgets, and leave some schools at financial risk. Managing access to specialist support and equipment at the local authority level was said by these respondents to be a more equitable option.

At lower levels, some respondents felt that catering, primarily the provision of school meals, should not be the responsibility of headteachers.

3.4 Elements of school spending not suitable for inclusion in a standardised, Scotland-wide approach

The consultation document asked respondents about the elements of school spending that are not suitable for inclusion in a standardised, Scotland-wide approach and the reasons for this.

The main elements of school spending felt not to be suitable for inclusion in a standardised, Scotland-wide approach were:

- ASN;
- Building maintenance;
- Transport costs.

These are listed in order of prevalence and discussed in more detail below.

3.4.1 The standardisation of funding approaches

Many respondents talked more broadly about whether there should be a more standardised approach to education funding. While the majority of responses to this question came from local authorities, opinion was divided on this issue.

Local authorities and other organisations described the following advantages of a standardised approach to funding:

- A few respondents felt that a standardised approach would be good as it would provide **greater consistency**. It was mentioned that this could increase “*clarity*” and “*contribute towards improving attainment at a national level*” - Local Government
- Two respondents mentioned that whether or not they wanted greater standardisation **depended on the criteria used**. One local government respondent considered this the “*critical factor*”, stating that “*national benchmarks*” were required for fair funding rather than, for example, using Free School Meals as the criteria.

A slightly larger number of respondents made the following points against a standardised approach to funding:

- A “*one size fits all*” approach would reduce flexibility, preventing local needs from being addressed.
- Some respondents thought a standardised approach would **neglect local differences such as population density, geographical differences and pupil demographics**. COSLA and one individual local government respondent felt that it was the “*multitude of factors*” contributing to local need that meant no consistent formula could be appropriate.

3.4.2 Additional Support Needs

Many local authorities, a few parents and one headteacher/teacher raised concerns that **ASN funding was not suitable for inclusion in a standardised, Scotland-wide approach**. On the whole, local authorities explained that ASN was subject to rapid fluctuations and that determining the spend required was complex and not easily determined. It was therefore argued that the associated budget needed to be flexible in order to respond to such changes in needs. There was also some concern that individual support packages could be very costly, so a central model would provide inadequate funding on an individual basis.

3.4.3 Building maintenance

A few respondents, particularly local authorities, parents and headteacher/teachers, felt that **building maintenance should not be included in a standardised Scotland-wide approach**. The underlying message across these respondent types was that, “*school buildings differ drastically in maintenance requirements*”.

It was argued that any standardised approach would disadvantage some schools and favour others. It was noted that **there was not a level playing field when it came to school property maintenance**, as one respondent explained, “*The starting point varies.*”. This point was also raised by many headteachers involved in focus group discussions who felt that headteachers working in smaller schools, and schools in rural areas, were currently disadvantaged by the disproportionate amount of funding that had to be used to cover maintenance costs.

3.4.4 Transport costs

A few respondents, particularly local authorities, parents and headteachers/teachers, felt that transport costs were not suitable for inclusion in a standardised approach. Many headteachers involved in the focus groups also raised this point.

The main reasons behind this were that:

- School catchment areas varied, and therefore so did associated transport costs;
- Remote and rural schools had much higher transport costs than urban schools.

Question 5: Advantages and disadvantages of funding options

3.5.1 Allocating a greater proportion of funding directly to schools

Overall, respondents identified many more possible disadvantages to this approach than advantages.

Some respondents, mainly parents, other organisations and local authorities, felt that this approach would acknowledge the value of local knowledge and understanding of need. A few of the same respondent groups also argued that it would be beneficial to give headteachers greater control over school funding. Headteachers involved in the focus groups however, were largely satisfied with the current funding allocation system but sought greater autonomy and control over staffing.

The majority of respondents, however, felt that this approach posed a number of risks. Local authorities and other organisations were more likely to raise concerns over operational issues which could be caused by increased fragmentation, the lack of regulation, and consistency in support provision. Headteachers stressed that such an approach would not be possible without additional support, most notably with business management.

3.5.1.1 Advantages of a greater proportion of funding allocated directly to schools

While, on the whole, there was limited support to allocating a greater proportion of funding directly to schools, there was some support across different respondent types. The two main advantages identified related to the value of local knowledge and the need to respond flexibly to the needs of pupils at the school level.

- There were many references, particularly from parents and other organisations, to the **varying challenges and priorities apparent between different communities**, and the value of local understanding in knowing how to respond to these. One other organisation argued that enhancing the role of headteachers could potentially strengthen the capacity to create a '*dynamic local learning community*'.
- It was also argued that this approach could give headteachers **greater flexibility and autonomy in decision making over school funding** and enable them to respond effectively to the specific needs of their pupils. One Local Authority referred to the range of successful and creative approaches taken by headteachers to using PEF as an example of what can be achieved in support provision if headteachers are given greater control. There were many specific references to headteachers' ability to allocate resources (with some including staffing) in order to meet school level priorities, and one parent argued that this would help headteachers in the implementation of school improvement plans.
- Headteachers who participated in the focus groups, however, were largely satisfied with the current funding allocation system but wanted more consistency in the autonomy given to headteachers working in different local authority areas, and greater control over staffing.

"Freedom to be flexible in the appointment of staff is very important in terms of being able to drive forward improvement: as educational priorities change, headteachers need to be able to vary their staffing structures to fit." - Headteacher/teacher.

- A few local authorities reflected on the **prerequisites for this approach to work**. They considered that, "*Ring fencing funds for schools, clusters and regional collectives would ensure that headteachers have greater certainty about the level of funding that they will receive directly*". Another Local Authority considered it

important that, “*In order to provide greater stability, there needs to be a consistency of funding across a longer timeframe*”.

3.5.1.2 Disadvantages of a greater proportion of funding allocated directly to schools

While there were mentions of support, as stated above, the majority of respondents identified disadvantages with allocating a greater proportion of funding directly to schools. A wide range of risks were mentioned. The key perceived risks in order of prevalence are set out below, from most to least frequently cited:

- A few respondents, mainly local authorities and other organisations, raised concerns that allocating a greater proportion of funding directly to schools would cause **fragmentation and the individualisation of schools**. It was argued that this could lead to operational difficulties for third sector service providers and other delivery partners and complicate existing contractual relationships. One headteacher/teacher also suggested that fragmentation could have a negative effect on integrated Education and Child Care Services.
- Another viewpoint expressed by other organisations was that **further decentralisation would create greater disparity between schools** which was perceived to conflict with the Scottish Government's aim to ‘achieve excellence and equity for all’. There was some concern regarding the measures used to allocate any additional funding. It was argued that, if funding continued to be allocated using FSM, schools with low numbers of eligible pupils, and/or high rates of under application, would be disadvantaged. A few respondents also felt that there was a risk of tensions or increased competition between schools. For example, one Local Authority considered that there was a risk that full autonomy over staffing would enhance competition between schools for staff, potentially leading to wage inflation and the competitive advertising of posts.
- Some respondents felt that a greater funding allocation at the school level would **remove safeguards and could have a negative impact on the support available for vulnerable pupils**. One other organisation was anxious about the risk that further devolution of funding decisions to headteachers may allow them to effectively ‘opt out’ of providing funding to tackle homophobic, biphobic and transphobic bullying and support for LGBT pupils. Another organisation was

worried that the 'Funding follows the child' approach may disadvantage pupils with ASN if the appropriate special assessment processes, supported by appropriate additional funding, were not in place.

"The worry of our Parent Council would be that funding could eventually be redirected away from disadvantaged pupils who may not have as loud a voice as pupils from advantaged areas/backgrounds."

- Some respondents, including local authorities, other organisations and parents identified **risks around the loss of democratic accountability**. As summarised by COSLA: *"We have serious concerns about accountability for public money if more power is to be devolved to headteachers without the input of central local authority staff and therefore without accountability to elected members."*
- Some respondents raised the point that **headteachers would require support, particularly with business management**, if a greater proportion of funding was allocated to schools. There were specific references to the need for trained business managers in primary and secondary schools. Respondents felt that there was a risk of headteachers and senior staff dealing with tasks in areas where they lacked expertise and experience. A key message to come through from the focus group discussions with headteachers was that there was little appetite for managing funding that did not relate directly to teaching and learning.

3.5.2 Allocating a greater proportion of funding directly to clusters

In general, most positive comments made regarding this approach referred to the value of clusters more broadly, with only a few respondents focusing on the role of clusters in the system for allocating funding to schools. Local authorities and other organisations highlighted the functional value of a cluster level approach to funding with the potential for maximising management capacity and the ability of schools to pool resources through combined purchasing.

The majority of headteachers/teachers appeared to be opposed to this approach, frequently referring to bureaucracy, practicalities and the risk that smaller and rural schools would be 'overlooked' under this arrangement.

3.5.2.1 Advantages of allocating a greater proportion of funding directly to clusters

While, on the whole, there was little support for a greater proportion of funding to be allocated directly to clusters, there was a strong appreciation of the value of clusters from a functional perspective. Only a few respondents made explicit reference to the allocation of funding directly to clusters.

Local authorities and other organisations were most likely to highlight the potential advantages of a 'cluster level' approach to funding allocation, while very few headteachers/teachers responded to this question. The two main points were:

- A cluster level approach to funding could be more efficient as it **maximised management capacity and would ensure that the local needs and targets of individual schools are met**. It was argued, however, that this would rely on effective partnership working and negotiation in order to establish common aims, ambitions and priorities. One respondent in particular felt that this could also encourage the sharing of best practice and specific expertise.
- The **ability of schools to pool resources through combined purchasing**, which respondents felt could result in better value for money and innovation in how resources were deployed. One Local Authority emphasised that cluster level pooling of resources would help to achieve economies of scale. In terms of the types of resources that should be available, there were specific references to transport and supply staff. However, on the latter point, one organisation argued that there would have to be, *"a clear process to assess need to ensure equitable distribution across clusters which could have a varied socio-economic profile."*

"If schools' funding was allocated to groups of schools rather than to individual schools, this would support headteachers to collaborate to raise attainment for all children and young people...In the case of ASN they could work together to share resources...across the cluster, prioritising needs and being able to respond quickly to changing need. This would encourage creative approaches such as sharing of support staff. In terms of curriculum support, headteachers could decide on a cluster approach to Sciences, for example, and purchase resources together and plan for the use of these to support learning across the cluster over the session." –
Local Authority

The option of allocating a greater proportion of funding directly to clusters was generally not supported by headteachers/teachers. There were very few comments related to this approach from headteachers/teachers submitting written submissions and only one focus group participant was able to identify a possible advantage. The small number of references to this subject tended to focus on the value of cluster level approaches more broadly as encouraging 'joint thinking' and the sharing of best practice.

3.5.2.2 Disadvantages of a greater proportion of funding allocated directly to clusters

Many respondents, including the majority of headteachers/teachers, identified disadvantages of cluster level funding allocation.

- Many respondents felt that this this would be an **unnecessary addition to the level of bureaucracy already in the system**. Some argued that this approach would become another element of ring fencing and take the focus away from individual schools. A number of these respondents also felt that, at a time of very tight funding, it made little sense to create a new conduit that could further reduce the money that reached schools.
- There were concerns over the **practicalities of managing funding allocated at cluster level**. Respondents argued that clusters would require a high level of central support in order to procure items, recruit and retain staff and manage budgets. Some felt that clusters are '*too large and unwieldy*', meaning it would take too long for decisions to be made. There was also concern that the geographical spread of schools in rural areas would make cluster level working more complex and the sharing of resources more difficult.
- The point was also raised that this approach **fails to recognise the different priorities and needs of schools within clusters and could lead to inequity**. This included schools experiencing different levels of deprivation and the risk of secondary schools dictating priorities for smaller primary schools.
- It was argued that if this approach was to be adopted, the purpose and role of clusters would have to be discussed and clearly defined.

3.5.3 Allocating a greater proportion of funding directly to Regional Improvement Collaboratives (RICs)

While most respondents answered this question, many commented that they were unclear as to the role of RICs under this proposal. There were some references to possible advantages of allocating funding directly to RICs, but almost twice as many respondents identified disadvantages of this approach. Similar concerns were raised by many local authorities and headteachers/teachers who argued that RICs were too large and far removed from individual schools to have the level of understanding required. It was therefore suggested that it would be inappropriate for them to be a conduit for funding to schools.

3.5.3.1 Advantages of a greater proportion of funding allocated directly to Regional Improvement Collaboratives (RICs)

Most respondents answered this question, but many of these contributions referred to the value of pooling and distributing funding at the RICs level rather than explicitly allocating funding directly to RICs. Only some respondents identified advantages of funding being allocated directly to RICs. These included:

- Centralising resources, particularly external services, to ensure consistency and best practice across schools. These services included speech and language therapy and educational psychology.
- There was some support from local authorities who argued that, if additional funding were directed to RICs, it would ensure they were sustainable and **allow regions to direct support and challenge to where it was most needed**. Respondents emphasised that, for this to work, it would have to involve additional funding rather than a greater proportion of existing funding. One local authority argued that this would allow for the continuation of local quality improvement work, providing two levels of interventions.
- Only one headteacher/teacher felt that, *“...a collaborative could...commission services across a greater number of schools, reducing costs.”*

3.5.3.2 Disadvantages of a greater proportion of funding allocated directly to RICs

Many respondents, including the majority of headteachers/teachers and local authorities, set out disadvantages of allocating funding to RICs. The main points raised were:

- Many respondents **felt unclear about the role of RICs under this proposal** and what this would look like in practice. These respondents therefore found it difficult to comment in detail. There was particular confusion around the issue of accountability if RICs were a conduit for funding.
- Due to their large geographical size, it is widely argued that **RICs would not have a good understanding of local issues and the needs of individual schools**. It was therefore suggested that it would be inappropriate to provide them with control over funding allocations. Concerns were also raised that, because RICs would cover large and small local authority areas, the latter may be disadvantaged by their size, and overlooked when it came to decision making.
- There was some concern that this approach would mean decision making was **'too far removed' from individual schools** and prevent headteachers from being able to target resources effectively. There was specific reference to the effect this might have on the ability of headteachers to implement Improvement Plans.

Chapter 4: Support and systems needed to implement change

Summary

In general, there was wide agreement that headteachers required support to deal with tasks that did not relate to teaching so that they are able to prioritise their leadership of learning. These included administration, financial management, and building maintenance issues.

Respondents raised concerns regarding the level of accountability headteachers will face under a more devolved funding system and most felt that accountability for funding decisions should lie at the local authority level.

The provision of training was referred to by a wide range of respondents. While some respondents suggested that specialist training would help headteachers to build knowledge and expertise in areas outside of learning and support (e.g. budget management), there was little appetite from headteachers, who felt that such tasks should be carried out by someone trained in the relevant field.

Respondents argued that evidence based research could support headteachers in decision making over school budget spending and measuring the impact of school level interventions.

This chapter outlines the key messages about the support and accountability needed to support any changes to the way schools are funded. It answers the following questions in the consultation:
Question 6: The Scottish Government's education governance reforms will empower headteachers to make more decisions about resources at their school. What support will headteachers 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 6: Support for headteachers

The consultation document asked respondents about the support they felt headteachers would require to enable them to fulfil their responsibilities under the new system of school funding. 59% of respondents answered this questions and identified possible forms of support. These were:

- Support with administration and financial management;
- External support for specialist services;
- Guidance and clarity;
- Training;
- Access to evidence based research.

4.1 Support with administration and financial management

There was agreement among respondents of all types that headteachers required support with administration and financial management, so that they are able to prioritise teaching and learning.

- Most respondents referred to the **need for 'business management' support**. In most cases, respondents argued that schools should have an 'in-house' business manager. It was widely suggested that school-level financial management duties should be completed by a professional with appropriate competencies and expertise. Some other organisations emphasised that additional funding was required to cover these posts in every school, and it was crucial to ensure this was not redirected from 'frontline learning'. One headteacher suggested a 'cluster-based' business manager could work if a school-level post was not feasible.
- Many local authorities and some other organisations in particular highlighted the **need for administrative support for headteachers**. Respondents argued that the time headteachers were having to spend completing administrative tasks currently prevented them from being 'leaders of learning'. There was some concern that the administrative workload would increase as headteachers are given more responsibilities, and that they will need support if they are to meet reporting requirements. There was agreement among these respondents that this should take the form of dedicated administration staff working within schools.

“Whilst generally supportive of the direction of travel, the Council’s Cabinet expressed concern about the potential costs to support headteachers to undertake additional financial, HR and procurement responsibilities. The costs of employing business managers for example could range from £360,000 (for a cluster approach) to £2.1 million for a business manager in every school. We are clear that these additional administrative costs would need to be met by Scottish Government, but are concerned that this could remove funding from front line education.” -
Local Authority

4.2 External support for specialist services

There was wide agreement amongst all respondent types that headteachers should have access to external support for issues that do not relate to learning. This included the following:

- Headteachers require **Human Resources (HR) support from their local authority** if they are to be given greater control of staffing management. This point was raised by many local authorities. While most respondents argued that HR issues should remain the responsibility of the relevant local authority, one Local Authority and one headteacher suggested providing legal support to headteachers to enable them to deal with this at the school level.
- Headteachers need **external support to deal with building maintenance issues and facilities management**. A few local authorities and the majority of headteachers consulted through the focus groups specifically mentioned this issue. Headteachers who raised this point emphasised that they should be able to access these services easily and that the support, to be valuable, needed to be responsive to their requirements. Many felt that they were currently spending too much time dealing with these issues and they did not believe this should be part of their role as headteachers. This was said to be a particular problem for headteachers working in smaller and rural schools as there is less staff time available and buildings tend to be older.
- Access to **IT, health and safety and legal services**. These were mentioned by many local authorities and headteachers/teachers.
- In terms of the support needs outlined in this section, it was argued that there was **still a role for local authorities in providing such services to headteachers**. While this point was stressed by the majority of local government respondents, there were a few

suggestions from other groups that headteachers should be given the option to outsource support if they felt they could get better value for money elsewhere. In focus group discussions with headteachers, there was a strong sense that, while headteachers would like greater control and autonomy over decision making and planning, this relied on the quality and responsiveness of support provided by the local authority.

4.3 Guidance and clarity

The importance of supporting headteachers to fulfil their responsibilities under the new system of funding was referred to by a wide range of respondents:

- The need for **greater clarity on the role of headteachers** under the new system of funding was mentioned by local authorities, other organisations and headteachers. One headteacher suggested that this could be achieved by revising the Headteachers' Charter.
- There was some concern from a range of respondents regarding the **increased level of 'accountability' headteachers will face under the new system**. These respondents argued that headteachers would require support to deal with this, "*particularly where parents/pupils disagree with spending decisions*". This point was echoed in the focus group discussions, with headteachers raising concerns that they would be accountable for events outside their control. Examples included reductions in pupil attainment levels which might be caused by external factors. A few headteachers said that they would like greater clarity on what was meant by 'accountability' under the proposed system and any protections that will be in place.
- A few local authorities referred to the **need for national benchmarking which sets out minimum standards for schools**. All specifically mentioned guidance on class sizes and the amount of resources required for different types of schools. It was argued that this would support headteachers in decision making and create greater consistency across schools.

4.4 Training

The provision of training for headteachers was also a main area of support raised by a wide range of respondents. However, the type of training suggested varied between different respondent groups:

- The type of training mentioned most frequently was the development of **budget management skills**. However, while local government and other organisations refer to **specialist training** (including business management, HR and procurement), none of these was referred to by headteachers. There was little appetite for specialist training from headteachers involved in the focus group discussions who generally did not wish to build their skills in these areas. There was broad agreement that tasks that did not relate to learning or teaching should be completed by someone trained in the relevant field.
- There were several mentions of **continual professional development (CPD)** with a focus on leadership, and the need to give headteachers the time they require to complete this.
- A few headteachers emphasised that training had to be accessible to those based in **rural areas** and **available to the 'wider workforce'** of teachers to enable up-skilling and delegation at the school level.

4.5 Access to evidence based research

The need for evidence based research to support headteachers in school funding management was mentioned by all types of respondents, but most frequently cited by other organisations. Respondents suggested that this research would have two primary purposes:

- Identifying **what does and does not work in school budget spending** which could inform headteachers' decision making. There were many references from other organisations to conducting research which highlighted best practice, namely the effective use of resources.
- **Measuring the impact of school-level interventions**. More specifically, other organisations referred to the need to develop empirical indicators which would enable headteachers to assess the impact of targeted funding on the experiences and learning outcomes of pupils.

Describing what this might look like in practice, one other organisation said the following:

“To enable them to make the most effective decisions about resources at their school, headteachers need to have at their disposal suitable tools to be able to evaluate with certainty, the effectiveness of specific interventions. The introduction of Scottish National Standardised Assessments will be an important tool that supports the more effective decision-making in this context. At the same time, we believe that data gathered periodically through these assessments could be usefully supplemented by the more informal, fine grained and frequent data that can be gathered through formative assessments, enabling evaluation of specific interventions within a shorter time period.”

Question 7: Accountability and reporting measures

The consultation asked about the factors that should be taken into account in devising accountability and reporting measures to support greater responsibility for funding decisions at school level. Half the respondents answered this question. The views expressed regarding accountability tended to focus on the roles of headteachers and local authorities:

- Some respondents, including many local authorities and a few headteachers/teachers, felt that headteachers **should be accountable for the decisions they make in their school**. It was argued, however, that accountability and reporting measures needed to be ‘bureaucracy-light’ so that these functions do not detract from learning or teaching capacity. Headteachers involved in the focus groups discussions sought clarity on exactly what they would be accountable for, and what this would mean in practice.
- Many respondents felt that, due to being democratically elected, **local authorities should remain ultimately accountable** for decisions over education funding.
- One respondent referred to the need for a **clear complaint route for parents**. Meanwhile, many headteachers/teachers (written respondents and focus group participants) raised concerns about ‘coming under fire’ from parents, and stated that they would want reassurance that adequate protections were in place.

Other responses to this question focused on the mechanism used in reporting measures and the type of data that should be monitored:

- There were several references to the need for clear and well understood reporting mechanisms.
- Some respondents referred to the need for **standardised reporting system** with Key Performance Indicators which would be developed and reviewed through research. Headteachers in focus groups expressed concern that targets and measures accounted for differences between schools operating in different local authority areas.
- On the aspects of school performance that should be assessed, suggestions included attendance, exclusion and attainment levels, school complaints and leaver destinations.

Chapter 5: Other issues raised

Only one issue not already covered by the analysis of responses to questions 1 to 7 of the consultation received substantive comments. This was to do with **the scope to extend the Headteachers' Charter** to include aspects of greater consistency and coherence in terms of school funding. This was raised as one of two approaches to fair funding in the consultation document but it was not the subject of a specific question. The approach was mentioned by four organisations.

The main points made by respondents are set out below:

- One organisation felt that these accountabilities set out in the Headteachers' Charter could only reasonably be fulfilled if headteachers have *"the ability to select and manage staff, prioritise Curriculum for Excellence and premises related expenditure"*.
- The requirement in the Headteachers' Charter for headteachers to "be responsible for raising attainment and closing the poverty-related attainment gap" was felt by one organisation to involve a range of related tasks and organisation, so the extent of this accountability alongside others needed to be clarified.
- The need to clarify the duties and accountabilities of headteachers was also stressed by an organisation representing headteachers which confirmed its support for a Headteachers' Charter. The same organisation stated that, *"...whatever system derives from this review of a National Minimum Fair Funding Formula it should be allied to a National Minimum Staffing Standard"*.
- There was puzzlement expressed by one organisation about how the Headteachers' Charter could go beyond the powers of a headteacher in relation to school budgets and the support they could expect in carrying out these powers. Their view was that, *'...the principles underpinning school funding should surely be made explicit in legislation, regulation or policy rather than in a charter.'*
- A similar point was made by another organisation which pointed out that the incorporation of a future approach to school funding in a proposed Headteachers' Charter *"...implies a rather narrow view of school funding given that it extends beyond the powers and responsibilities of headteachers and is a matter of wider public interest"*.

Appendix 1: Organisations completing written submissions

A comprehensive list of all organisations submitting written responses is included below. These have been listed by category as defined within the methodology section 1.1.1 on page 10 of this report. Please note the following points regarding respondent categorisation:

- Respondents were initially categorised as organisations or individuals. This was done using information contained in the respondent information form, and in the body of the response itself.
- Where there was doubt about whether a response was submitted in a personal capacity or on behalf of an organisation, respondents have been classified as individuals.
- Organisational interests often cut across categories, and respondents have been allocated according to their main focus.
- Multiple responses from specific departments/project teams within or operating under the umbrella of larger organisations have been accepted and treated as separate responses and allocated according to the interest of the submitting team.
- A number of representative organisations have been allocated to the category aligned with their membership (e.g. membership bodies representing the interests of teachers are included in the 'Headteachers/teachers' category).

Local Government respondents

1. Aberdeen City Council
2. Angus Council
3. Argyll and Bute Council
4. City of Edinburgh Council
5. City of Edinburgh Council (Additional Support for Learning and Special Schools)
6. CLD Standards Council
7. COSLA
8. East Ayrshire Council
9. East Dunbartonshire Council
10. East Renfrewshire Council
11. Education and Children's Services Perth and Kinross Council)
12. Falkirk Council (Children's Services)
13. Fife Council
14. Glasgow City Council
15. Highland Council
16. Inverclyde Council (Education Services)
17. Midlothian Council (Survey responses)
18. Moray Council
19. North Ayrshire Council
20. North Lanarkshire Council (Youth and Community Service)
21. Orkney Islands Council

22. Shetland Islands Council
23. Shetland Islands Council (Education and Families Committee)
24. South Lanarkshire Council
25. West Lothian Council

Parents

1. Aberlady primary School Parent Council
2. Blackhall School Parent Council
3. Broughton Primary School Parent Council
4. Craigmount High School Parent Council
5. Dean Park Primary School Parent Council
6. Lenzie Meadow Primary School Parent Council
7. Oban High School Parent Council
8. St. Andrew's Academy, Paisley, Parent Council
9. The National Parent Forum of Scotland
10. The Royal High School Parent Council

Headteachers/teachers

1. ASHTA
2. Association of Headteachers and Deputes Scotland (AHDS)
3. City of Edinburgh Secondary Headteacher's Forum
4. Education Institute of Scotland (EIS)
5. NASUWT
6. School Leaders Scotland (SLS)
7. UNISON
8. Voice the Union

Other organisations

1. Audit Scotland
2. Bord Na Gaidhlig
3. CELCIS
4. Children in Scotland
5. Commission of School Reform
6. Cults ASG
7. Education in Museums
8. ENABLE
9. National Day Nurseries Association
10. Place2Be
11. Prospect
12. RNIB Scotland
13. Scottish Parent Teacher Council
14. Royal Caledonian Education Trust
15. Royal Society of Edinburgh
16. SEEMiS Group LLP
17. Stonewall Scotland
18. Sumdog Ltd
19. The Salveson Mindroom Centre

Appendix 2: Topic guide for headteacher focus groups

Thank you for taking the time to join us today. We are independently analysis the responses to the Scottish Government's consultation into the funding of education. The Scottish Government are particularly keen to hear the experiences and views of headteachers, so in addition to analysing written submissions, we will be conducting several focus group interviews with headteachers across Scotland. These focus groups are a chance for us to gain a thorough understanding of what you feel works within the current funding system, what you believe needs to be improved and your ideas on how things could be done differently in the future. All points raised within these discussions will remain anonymous.

In order to give us a better sense of who we have in the group, could we first of all ask you to introduce yourself, briefly explaining your role, where your school is based and what type of school it is (primary/secondary), number of pupils, current PEF income?

The first few questions relate to your experience of the **current system of funding schools**:

1. Thinking broadly to begin with, what has your experience been of the current system of funding?
 - What do you think works?
 - What are the biggest issues you have faced?
 - How could your experience have been improved?
2. [If not covered in the introductory question] More specifically, what has your experience been of the Devolved School Management schemes (DSM)?
 - What are the benefits of these schemes?
 - What issues do you face in exercising the responsibilities you have under DSM?
 - Are there any specific examples of issues?

3. [If not covered in the introductory question] More specifically, what has your experience been of directly allocated funding to your school, cluster or area? For example, Pupil Equity Funding?

- What are the benefits of directly allocating funding such as the Pupil Equity Funding?
- What issues do you face when spending directly allocated funding?
- Are there any specific examples of issues?

We are now keen to hear your opinions and ideas when it comes to **future funding arrangements**:

4. What needs to change to gain a fairer funding system that benefits everyone?

- What would be the advantages and potential issues of a targeted funding approach like the PEF?
- What would be the advantages and potential issues around using an extended 'Headteacher's Charter' approach?

5. Under education governance reforms, headteachers will gain further powers when it comes to making decisions about resources and staffing at their schools...

- What support will you need to ensure you can fulfil these responsibilities effectively?
- What would the benefits be of greater flexibility to decide how your school's staffing budget is spent – e.g. being able to change your staffing structure?
- What issues would you face in exercising further powers, for example over resources and staffing? What considerations need to be made when it comes to practical aspects like reporting on expenditure? The appointment of staff?
- What should be the respective roles of local authorities, Regional Improvement Collaboratives and schools in terms of fairer funding models?

6. [Facilitator to provide summary points] Is this an adequate summary?

7. Is there anything that you would like to add before we finish?

Thank you again for your contributions today. This will now be combined with written submissions to form a wider evaluation of the Fair Funding consultation. We will however be compiling a separate report, summarizing the findings of the focus groups. This will be sent out via email*. If you haven't already completed a written submission online, this would be very welcome. The consultation is open until 13th October 2017.



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