



Education, Children's and Leisure Services Committee

Wednesday, 26 January 2022

The undernoted report has been added to the agenda for the meeting of **Education, Children's and Leisure Services Committee** at **09:30**, in terms of Section 50B (4)(b) of the Local Government (Access to Information) Act 1985 by reason of special circumstances on the Chair accepting the report as urgent business.

NOTE REFERRED TO:-

8a.* Allocation of Education Funding

3 - 16

Report by Depute Chief Executive (Education, Communities and Organisational Development)



**REPORT TO: EDUCATION CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 26 JANUARY 2022**

SUBJECT: ALLOCATION OF EDUCATION FUNDING

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of the funding for Education in the 2022/23 revenue grant settlement, to raise known budget pressures, the ongoing impact of the covid-19 pandemic and to ask the committee to consider the allocation of the funding taking account of these issues.
- 1.2 This report is submitted to Committee in terms of Section III (D) (1) of the Council's Scheme of Administration relating to all the functions of the Council as an Education Authority.

2. REASON FOR URGENCY

- 2.1 This report is submitted to Committee in terms of the Local Government (Access to Information) Act 1985, on the Chair certifying that, in his/her opinion it requires to be considered on the grounds of urgency in order to give early consideration to the use of funding for Education in the grant settlement.

3. RECOMMENDATION

3.1 It is recommended that Committee:

- i) notes ongoing impact of covid pandemic on schools;**
- ii) reviews and notes the update provided on the use of additional Education funding to date (Appendix 1);**
- iii) notes the additional funding of £2.5m contained with the council's revenue grant that is available for Education**
- iv) agrees that the first call on the above funding is to address the known budget pressures for 2022/23 relating to the increasing school roll in 2022/23, currently estimated £860,000 excluding ASN and any other support costs, which will be additional;**

v) **Notes the options for education spend set out in para 4.22 of the report against the headings below and provides direction on preferred use of funding, noting that with the exception of the DSM option i), further work will be required on the detail and will be brought to a future meeting of the Committee:**

- i) Allocate to DSM**
- ii) Partial allocation to DSM and remainder to Quality Improvement team for leadership and curriculum/attainment**
- iii) Attainment Focus – targeted intervention to address specific attainment issues**
- iv) System wide (3-18) Early Intervention, Prevention and Continuing Support**

vi) **In terms of the use of the balance of funding once the budget pressure is met, the Committee is asked to note that there is a further significant anticipated budget pressure for 2023/24 arising from the planned reduction in teacher class contact time from August 2023 and in light of this to agree that the use of additional funding above should be on a temporary basis for the academic year 2022/23 pending investigation of the full implications of this change and that a further report is brought to committee to enable this to be considered in due course.**

4. BACKGROUND

Funding and Use to Date

4.1 Reference is made to the report to the Council on 30 June 2022, which set out additional funding allocations to local government to support education recovery. In summary these were:

- 16 February 2021 – additional allocation of £60m of which the Moray allocation was £0.981m;
- previous funding stream for additional staffing - £50m for additional teachers and support staff of which Moray received £0.8m; and
- £30m for additional teachers of which Moray received £0.48m.

4.2 Details of funding received to date and how this has been allocated is shown in Appendix 1. In summary this has resulted in the deployment of 48.4 full-time equivalent (fte) teaching staff and 6.7 Newly Qualified Teachers (NQTs), 31.4 fte other school support staff.

4.3 The use of the funding at each stage reflected the flexibilities and requirements that were attached to each set of funding. For example, the first tranche of funding in August 2020 specifically required the recruitment of teaching staff (equating to 17 fte in Moray and pupil support staff (8fte) and there is a continuing requirement to report on that position. Later funding was for more flexible use to employ a variety of school staff to meet the needs of children and young people in schools and ELC settings and included provision for support services such as additional cleaning and transport costs associated with covid requirements. In some cases, due to recruitment challenges, alternative staffing arrangements have been made to ensure effective use of the funding and this is noted in the appendix.

- 4.4 In August 2021, the SG confirmed funding of £870k on a recurring basis to support Education. This has now been consolidated into the general revenue grant for 2022/23 and allocation of this is considered below.
- 4.5 The Council's deployment of the funding took into account key priorities within Moray and in particular aimed to support the raising attainment strategy which provides a clear plan and direction including targets for primary ACEL attainment as well as secondary senior phase.
- 4.6 Covid-19 has seen two lockdowns affecting school pupils, use of a remote learning offer making use of digital technology to support learning and very different day to day arrangements in schools. The wider societal consequences of covid have also knocked on to education ranging from the effects on developmental milestones to interactions with parents and the wider community. The aim in deploying the additional covid funding was that resources were directed to addressing and supporting the covid effects on education and pupils in order to protect as far as possible the Council's strategic priority to raise attainment.
- 4.7 Therefore, where possible Covid-19 posts have supported the additional covid demands, including releasing time for school leaders to lead school improvement and recovery, supporting transitions between and within educational stages, and addressing gaps in learning and intervention strategies aimed at closing attainment gaps. These arrangements come to an end at the end of the 2021/22 academic year in June 2022.

Ongoing and Emerging Effects and Impacts of Covid

- 4.8 However, the continuing presence of covid has resulted in an ongoing management of a critical covid environment in schools with additional pressures and needs arising from the impact on children, young people and their families leaving very little time for anything other than response and efforts to maintain the day to day delivery of the service. As a result often operational demands have required the "covid posts" to be deployed to ensure continuity of education while staff absence from covid or self-isolation was managed. Therefore, despite additional efforts and resources, Covid-19 has had an impact on progress on attainment. Separate reports on this Committee's Agenda provide detailed information on attainment and set this in the context of comparable information across Scotland, which shows that the Covid impact on educational attainment is national.
- 4.9 There continue to be impacts emerging from the experience of children and young people during covid and this is evident in key and transitional education phases, for example:
- At entry to early years settings, delayed progress in developmental milestones such as language are being identified for the first time, requiring additional support;
 - Pupils entering P1 have less developed social skills and had a reduced ELC experience - a decline in attainment can be seen in P1 data compared to previous years;

- P4 ACEL data shows poorer outcomes in relation to writing skills, P4 is a key stage where pupils begin to develop new aspects of writing that are challenging to address remotely;
- P7 also sees a dip in ACEL data compared to previous years and this can be linked to key learning stages that are aimed at extending skills, which is more difficult in a remote environment with reduced scope for consolidation of those skills;
- Numeracy attainment is less positive across the ACEL reporting stages. The variable impact of home learning on underpinning numeracy concepts and building blocks and the reduced scope for consolidation through inter-disciplinary learning have contributed to this;
- In S3, ACEL data shows sustained improvement, which might be expected as pupils are capable of more independent learning by this stage
- Secondary/senior phase attainment shows a more positive long term trend and covid reporting year variations that are generally below those being reported nationally
- In secondary schools, the behaviour, social and well-being issues that are emerging are of concern.

4.10 An increase in the number of violent and aggressive incidents reported in schools has been in evidence as pupils returned to school with more children presenting as being unsettled and not in a position to learn. This has required a particular focus on redeveloping social skills and re-establishing routines which were not evident during lockdown. As recovery and covid continue, additional investment of time in child's planning and education planning has been required.

4.11 Formal assessment of need is also identifying an increase in additional support needs. This is of greatest concern in children moving from ELC into Primary 1 where, subject to quality assurance and modification, an increase of more than 70% on previous years is being reported. Across all year groups there is a projected increase in additional support needs (where additional resource is required to support) of approximately 18% year on year. As this report went to print early estimates became available that this could be in excess of £1m. Further consideration is being given to how the emerging need could be met, particularly in early level in primary so that figures for budget pressures can be finalised.

4.12 There is also an impact from all of the above on our workforce. School leaders (head teachers and deputies) continue to be heavily involved in the management tasks associated with operating in a covid environment as set out in previous reports, including to the Council on 30 June 2021. In this context, it is particularly challenging for HTs with a teaching class commitment to release time to focus on school improvement planning and recovery in line with National Improvement Framework priorities.

- 4.13 All staff in schools have faced additional pressures from the adjustments and workarounds required in a covid operating environment and have applied new approaches and skills to ensure that pupils have as positive a learning environment and experience as possible. Staff have worked hard to address the impacts of covid, both learning and social and to tackle covid recovery as best as possible while still working within the covid restrictions and adjustments and they continue to do so on a daily basis.
- 4.14 The above provides a snapshot of the impacts that are being observed in schools as a result of the covid pandemic and this and previous learning and feedback gathered from regular contact with head teachers, trade union representatives, pupils and parents have been taken into account to develop options for the longer term use of additional funding now incorporated on a recurring basis into the Council's core revenue grant. .

Future and Recurring Funding for Education

- 4.15 Additional funding for Education during the covid pandemic has come in a number of tranches, generally on a temporary basis that in some cases is extended and latterly with allocation of permanent funding. This resulted in a complex set of intertwined funding streams over a period of time which has made it difficult to clearly identify and quantify any additionality in the funding that has now been consolidated into the Council's annual revenue grant for 2022/23. There are added complexities in identifying and drawing out other changes in the grant relating to Education, for example pay awards, 1+2 languages funding. Therefore, it has required some time to analyse and finalise the underlying budget position. The conclusion is that there is provision of £2.5m recurring budget available to be allocated to Education.
- 4.16 It should also be noted that while the funding contained in the general revenue grant is not ring fenced, there are some ongoing reporting requirements in relation to the funding and a requirement to demonstrate that the additional 17 fte teaching post and 8 fte pupil support posts provided for in covid funding continue to be in place.

Future Funding Options

- 4.17 Prior to the grant allocation from the SG, work was underway to consider the allocation of the covid funding streams that had been confirmed as permanent. Therefore this work, has been incorporated into the options under consideration below.
- 4.18 Extricating the underlying budget position from the complex funding arrangements that had developed and considering the emerging budget pressures has resulted in extremely limited time being available to develop options for use of funding in time to meet the committee schedule. In light of this, it has not been possible to engage further with Head teachers and trade unions on the options under consideration or to fully develop those options. Subject to the direction provided by committee, this would be undertaken as required as part of the next stage.

- 4.19 The funding available needs to be considered in the context of budget pressures that are known or expected to develop and the council's very challenging budget position over the coming 3 years where savings in the order of £20m are projected to be required across 2023/25. Pupil roll pressures of £860k have been identified for 2022/23 based on additional teaching staff requirements to accommodate increased pupil numbers. This figure does not include provision for any additional ASN requirements or other costs associated with the increased roll and this will also require to be factored in, increasing the budget pressure figure. Although detailed work is required on the deployment of staff and the specific implications, the application of the funding to this budget pressure would result in the permanent deployment of the equivalent of 17 full time teachers across Moray's schools. This would be achieved by applying the DSM formula and allocating the additional budget directly to schools.
- 4.20 A second budget pressure has also been identified in relation to the reduction of class contact time for teachers, which is currently planned to commence in August 2023. This will reduce class contact time for all teaching staff by an hour per week which equate to approximately 5% of their contact time. By way of illustration of the scale of this pressure and possible effect, a simple calculation of one hour per week based on 930 teaching staff equates to a requirement for an additional 43 fte teachers which would have an estimated cost of approximately £2m. However, the exercise to reduce class contact time is complex when timetabling is taken into account and the true impact will require careful consideration. A request is progressing to the council on 22 February 2022 to request temporary resources to work on the implications of this change but pending this the potential budget pressure has not been quantified.
- 4.21 Taking account of all of the above, direction is sought from the Committee on the priorities for the allocation of this additional funding in particular before developing the new options at iv) and v) below if this is not the committee's preferred direction.
- 4.22 The following options are raised for consideration. Options iv) and v) are described in more detail in **Appendix 2**.
- i) Budget pressures to be addressed and position is reserved on any permanent funding allocation pending the clarification of all education budget pressures. Any allocation of funding pending clarification of the budget pressure for class contact time in August 2023 should be considered on a temporary basis only.
 - ii) Resource allocated to DSM using the current formula and to be utilised at the discretion of Head Teachers to meet local needs
 - iii) Partial Resource allocation to DSM and percentage allocation to Quality Improvement team for leadership and curriculum/attainment with flexibility for school based and HQ solutions.

- iv) Attainment Focus – targeted intervention to address specific attainment issues at various stages of learning and in curricular areas where opportunity for improvement is identified. For example, ACEL data suggests the following would merit specific focus: P1, P4 and P7 Writing; P4 and P7 numeracy and P7 reading. (**APPENDIX 2**)
- v) System wide (3-18) Early Intervention, Prevention and Continuing Support – this is a learner based approach aimed at early identification of potentially escalating issues that would affect the long term outcomes for the child or young person. In particular intervention and support would be directed at transition stages of education and would include wider family and community based approaches. (**APPENDIX 2**)

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

This report was informed by the priorities within the Corporate Plan and 10 Year Plan and in particular to Our People, Building a better future for our children and young people in Moray.

(b) Policy and Legal

There are no legal implications arising directly from this report.

(c) Financial implications

Corporate Management Team Additional Expenditure Warning
When the Council approved the budget for 2021/22 on 3 March 2021 (paragraph 3 of the Minute refers) it balanced only by using one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make significant savings in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the council should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section below and whether a decision on funding could reasonably be deferred until the budget for future years is approved.

The use of funding to date is detailed in Appendix one and the financial considerations for the use of the Education funding in the revenue grant are contained in the body of this report.

(d) Risk Implications

The issues being observed and experienced during the covid pandemic are summarised in this report and previous reports to this committee. There are risks that these impacts cannot be fully addressed as a result of the ongoing pandemic and of restrictions on the budget and human resources available.

There is also a risk that as the funding for teaching and support roles continues to increase nationally that demand for employees outstrips supply. The Education and Human Resources services will work together to develop and update a workforce plan to ensure effective arrangements and monitoring are in place to manage this risk.

(e) Staffing Implications

The budget pressures set out in the paper would require the recruitment of additional teaching staff from August 2022. A number of staff are currently employed on a temporary contract basis due to previous covid funding and these arrangements will come to an end in June 2022.

(f) Property

There are no property issues arising from this report.

(g) Equalities/Socio Economic Impact

There are no implications arising directly from this report, however, equalities impacts and considerations have been taken into account in the previous deployment of resources to support the covid impacts and would be factored into any development of options directed by the committee beyond the budget pressures set out.

(h) Climate Change and Biodiversity Impacts

None

(i) Consultations

The Head of Education, Head of Education Resources and Communities, the Head of Financial Services, Head of HR, ICT and OD, Quality Improvement Manager, the Business Support Team Manager, and Tracey Sutherland, Committee Services Officer, have been consulted on this report and agree with the sections of the report relating to their areas of responsibility.

6. CONCLUSION

6.1 There has been a complex pattern of additional funding for Education during the Covid-19 pandemic and funding has now been consolidated into the Council's general revenue grant on an ongoing basis. Analysis of this had identified that funding as being £2.5m

6.2 Two significant budget pressures have been identified for 2022/23 and 2023/24 and these require to be accommodated taking account of the very challenging financial position that the Council continues to face and it is proposed that these are given priority in the allocation of the funding above. The recently emerged ASN pressure estimated at over £1m could also have a significant impact.

6.3 However, the Committee is also asked to consider the impact of the Covid-19 pandemic on the educational experience and outcomes of children and young people in Moray and to provide direction on temporary funding in the light of that.

6.4 Subject to the deliberations of the committee, the effect of this could be to provide a transition from temporary funding and support for covid impact and recovery to a permanent solution as described below.

To August 22 – temporary additional resources (55.1 fte teaching staff, including NQTs and 34.1 fte support staff) to address covid pressures and recovery

From Aug 22 – permanent deployment of 17 fte teaching staff through budget of £860k (tbc) into DSM to address increasing school roll

- **continuation of remaining £1.64*m of temporary support for covid response and recovery as guided by direction from committee at this meeting**

From Aug 2023 permanent allocation of teaching staff (possibly equivalent to 43 fte tbc) to address reduction in class contact time

- **temporary Covid support stops**

* The ASN pressure is not included as this detail only emerged as papers were ready to be published and would potentially increase the deployment of posts in schools and reduce the remaining budget for allocation to around £0.5m.

Author of Report: Denise Whitworth, DCE (ECOD)
Background Papers: [30 June 2021 \(item 21\)](#): Council report agreeing distribution of £1.9m SG funding and additional allocation of £1.5m from covid funds held in Council reserves for school year 2021/22
Ref: SPMAN-1315769894-218 / SPMAN-1315769894-225 / SPMAN-1315769894-226

Education Additional Staffing (2021-22)

The Education Additional Staffing has been funded through Scottish Government Grant Funding, including recurring Education specific grant funding of £1.85 million (increasing to £2,504 million for 2022-23), with the remainder coming from ear-marked Covid reserves (one-off funding).

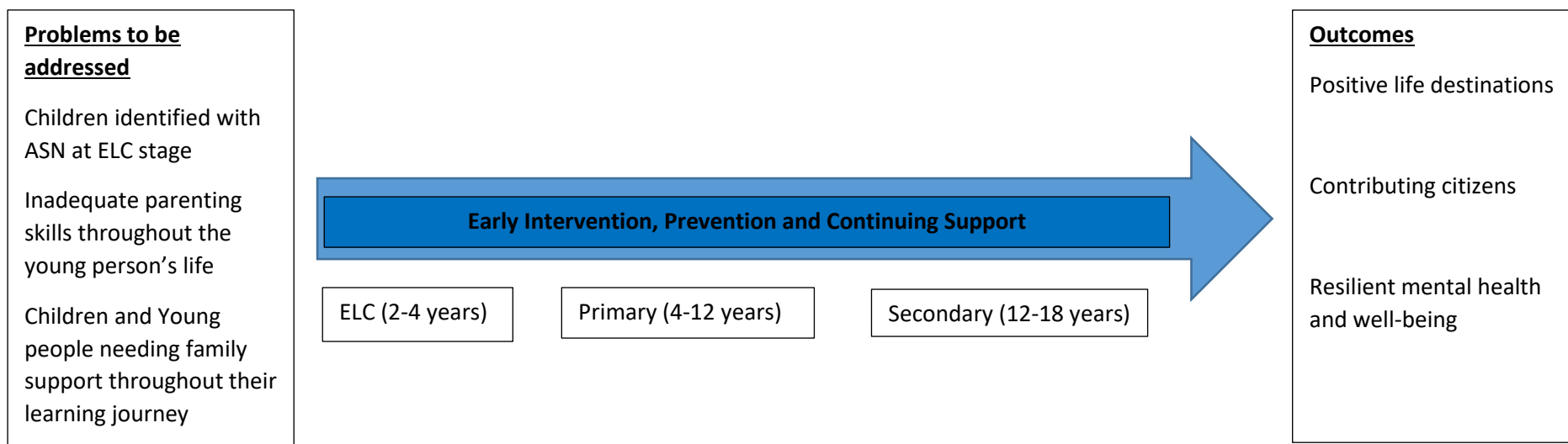
Education – Additional Staffing (2021/22)	Depute Head (FTE)		Principal Teacher (FTE)		Teachers (FTE)		NQT (FTE)		Inclusion Coordinator (FTE)		PSA /Classroom Ass. (Hrs)		Funding (£)		
	Allocated	Current	Allocated	Current	Allocated	Current	Allocated	Current	Allocated	Current	Allocated	Current	Allocated	Current Est.	Underspend
Primary (ASG)															
Buckie					6.7	6.5	0.73	0.73	0.86	0.6	100	50	475,441	376,980	98,461
Elgin Ac					4.5	4.1	3	3			75	60	396,173	345,862	50,311
Elgin H					3.6	3.6					50	45	224,201	188,236	35,965
Forres	1	1			8.4	7.2					75	87.5	571,914	465,016	106,898
Keith					1	1.3					75	59.5	121,892	78,358	43,534
Lossiemouth					3.2	3.2	1	1			50	50	238,575	211,556	27,019
Milnes					1.2	1	1	1			50	50	119,057	106,903	12,154
Speyside					5.8	5.6	1	1			75	37	396,503	311,839	84,664
Secondary															
Buckie High	1	0	1.8	1.8									185,494	108,983	76,511
Elgin Ac			2	2	1	0							214,276	121,092	93,184
Elgin H			1	0.5	2	2							165,156	129,121	36,035
Forres Ac			2	2	1	0							178,525	121,092	57,433
Keith Gr					1.6	1.2							92,479	61,378	31,101
Lossie H			1	1							49	49	87,975	80,035	7,940
Milnes H					1.6	1.4							95,686	67,111	28,575
Speyside H			1	1	1.02	1.02							120,544	103,742	16,802
Central Team															
EAL					1	1							55,078	49,657	5,421
ASN Central budget											630	630	350,000	350,000	0
Totals	2	1	8.8	8.3	43.6	39.1	6.7	6.7	0.86	0.6	1,229	1,118	4,088,969	3,276,961	812,008

Notes:

- The posts allocated are those approved by Committee. All posts have been advertised and the current posts are those currently filled.
- All posts are temporary contracts until June 2022.
- Where schools have been unable to appoint to allocated posts agreement has been sought to convert to other posts to bring additional support into the school (Buckie High – conversion of DHT to PSA hours; Elgin Academy Raising Attainment Teacher – conversion to 2 FTE Home School Link Worker, St Thomas’ – conversion of PSA hours to teaching time).
- The funding allocated relates to the academic year 2021-22. Scottish Government Grants are for the financial year and this will need to be taken into account when considering the availability of funding for academic year 2022-23.
- Any projected underspends where staff are in post will be due to timing of appointment into posts.
- The forecast spend and projected underspend will change as recruitment into agreed posts is continuing, with a number of posts currently out to advert.

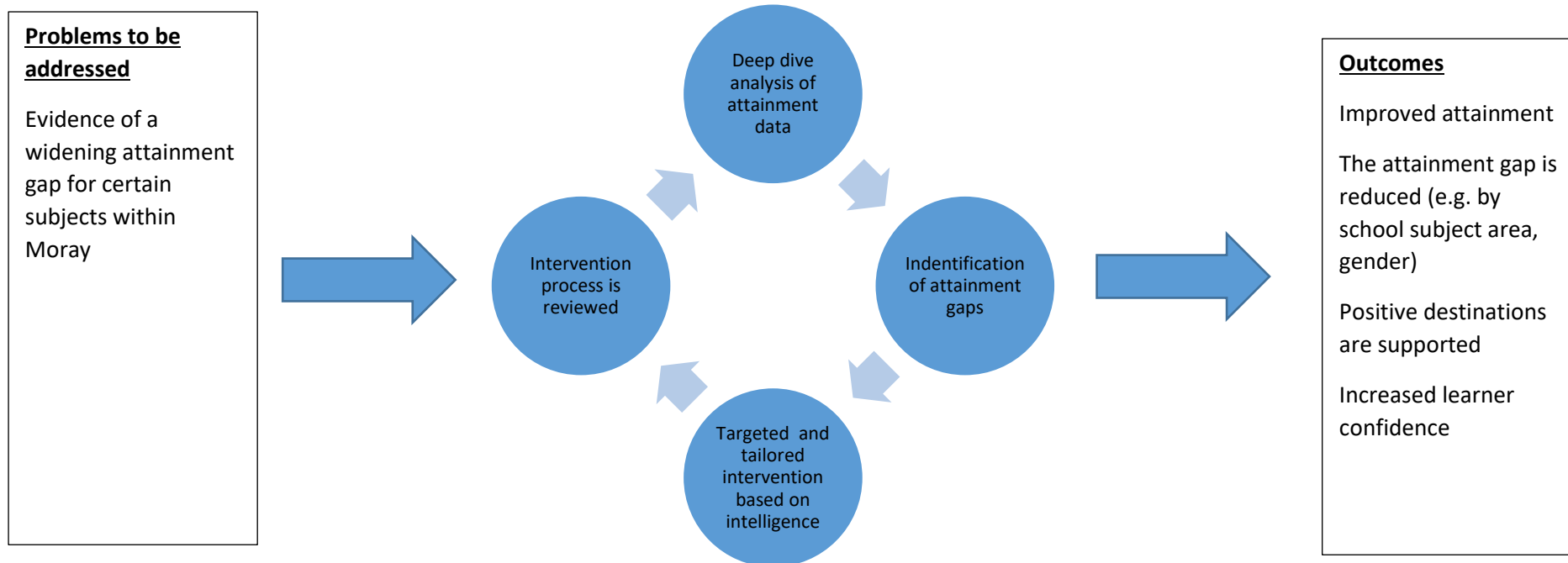
COVID Additional Funding: Spending Options Appraisal

Option 1: Supporting Systems Wide Transformational Change (based on discussion at the last meeting)



Key Principles	Approach	Objectives	Possible Posts to be funded
<ul style="list-style-type: none"> The initial focus is on targeted early intervention Support given to the child/young person throughout their learning journey 	<ul style="list-style-type: none"> The ethos of the approach is to be learner centred and not school based Post holder forms long term relationship with not only the learner but with parents Parent involvement is important aspect 	<ul style="list-style-type: none"> To support transitions from ELC to Primary to Secondary and then tertiary education and/or employment To improve attainment and quality of life for the child/young person 	<ul style="list-style-type: none"> Support posts to be based within each ASG area Posts to be non-teaching (reflecting conversation of the challenges of recruiting teachers).

Option 2: Targeted intervention to support improved attainment (based on discussion at the last meeting)



Key Principles	Approach	Objectives	Possible Posts to be funded
<ul style="list-style-type: none"> Intervention is evidence based following a deep dive analysis of attainment data Learning support is tailored for individual learners 	<ul style="list-style-type: none"> Based on the evidence base, interventions can be at an ELC, Primary or Secondary School phase Train the trainer approach to be considered as part of the intervention approach A continuous learning approach is adopted in terms of the process. 	<ul style="list-style-type: none"> Reduce the attainment gap To support transitions from ELC to Primary to Secondary and then tertiary education and/or employment Improved learner confidence 	<ul style="list-style-type: none"> Consideration needs to be given if these are teaching or non-teaching posts. Also if a train the trainer approach can be adopted.