

South Ayrshire Council**Report by Chief Executive
to Leadership Panel
of 17 February 2015**

**Subject: CoSLA Negotiations with Scottish Government Update–
Teacher Numbers**

1. Purpose

- 1.1 The purpose of this report is to update Members on recent negotiations between the Convention of Scottish Local Authorities (CoSLA) and the Scottish Government regarding the requirement to maintain teacher numbers as part of the 2015/16 funding settlement agreement and outline the potential implications for South Ayrshire Council.

2. Recommendation

- 2.1 **Members are asked to consider the implications of the revised funding settlement agreement and advise the Cabinet Secretary for Finance, Employment and Sustainable Growth of the Council's position by 20 February 2015.**

3. Background

- 3.1 The Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to CoSLA on 9 October 2014 setting out the terms of the provisional funding settlement allocations for 2015/16. Failure to agree to these terms set out in the letter would result in the Council losing their share of those funds held back to be distributed later in March 2015. A copy of the letter from the Cabinet Secretary is contained in [Annex 1](#).
- 3.2 As well as a requirement to maintain Council tax for an eighth consecutive year at 2007/08 levels and securing places for all probationer teachers who require one under the teacher induction scheme, the letter outlined that whilst work was on-going to reach an in-principle agreement on an outcomes based approach to educational outcomes, if a new agreement was not reached for 2015/16 within the time frame set then there would be a continued Scottish Government commitment to maintain teacher numbers in line with pupil numbers at a national level.
- 3.3 In previous years, Councils have been allowed to reduce teacher numbers in line with reductions in overall pupil numbers.
- 3.4 South Ayrshire Council has upheld the agreement with Scottish Government in relation to teacher numbers. While absolute numbers have dropped between 2011 and the 2014 census, the ratio of teachers to pupils has been within the expected Scottish Government figure of 1 teacher to 13.5 pupils. South Ayrshire's ratio figure was 13.2 in 2011; 13.0 in 2012; 13.1 in 2013; and 13.2 in 2014. The overall drop in teacher numbers has been in line with the dropping number of pupils.

4. Proposals

- 4.1 In the intervening period since the 9 October letter from the Cabinet Secretary, discussions have been on-going between CoSLA, on behalf of local authorities, and the Scottish Government in an attempt to reach agreement on the most appropriate way forward.

4.2 It became clear in December 2014 that the national target ratio of 1:13.5 had not been achieved. The view from the Government is that the target of 13.5 was achievable and expected to be met, that the achievement of the target was a funded agreement and that failure to meet the target was a very serious breach of agreement between local and national government. A report to CoSLA Leaders' meeting of 30 January advised that a proposed agreement around teachers' numbers had been made by the Cabinet Secretary which required the following:

- (1) Local authorities will agree formally for 2015-16 to protect the number of teaching posts in order to secure:
 - the maintenance of the Pupil Teacher Ratio for local authority schools at 2014-15 levels and also the total number of teachers employed by local authorities across Scotland from the figures reported in the Pupil and Teacher Census published in December 2014 as a minimum; and
 - places for all probationers who require one under the teacher induction scheme.
- (2) Delivery of this commitment will be monitored by COSLA who will gather updated information on teacher numbers at an individual local authority level shared with the Scottish Government in March, June and August 2015 and may be subject to review if this information identifies a potential failure to deliver.
- (3) The Local Government Settlement letter for 2014-15 highlighted that failure to deliver sufficient teachers may invoke collective and/or individual sanctions in the shape of corresponding reductions in the local government settlement in future years. To demonstrate its commitment to protecting teaching posts, the Scottish Government will not invoke those sanctions for 2014-15 as it would be entitled to do.
- (4) Going forward, provided all local authorities sign up to the terms of the offer and the commitment is met, as confirmed in the publication of the annual Pupil Teacher Census statistics in December 2015, the Scottish Government will make available an additional £8 million for 2015-16 to local government in recognition of the general budget pressures authorities are facing to help them deliver the teacher numbers commitment. This is in addition to the £41 million which is already included in the Local Government Settlement for 2015-16.
- (5) The Cabinet Secretary sought confirmation that agreement could be reached in advance of the Local Government Finance Order being considered by Parliament on 4 February 2015. Leaders agreed that while minded to reach an agreement the exact terms of the offer were not acceptable and further discussions between the Cabinet Secretary and CoSLA Group Leaders were requested by Leaders.

4.3 Further discussions took place between the Cabinet Secretary and CoSLA Group Leaders and it was explained that a Special Leaders meeting would be held on 6 February 2015 to provide feedback on the new proposals. The Cabinet Secretary announced to Parliament on 4 February that discussions were over and negotiations would now take place with individual councils. The Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to CoSLA and all council Leaders on 5 February 2015 setting out revised terms for the funding settlement allocations for 2015/16. A copy of the letter from the Cabinet Secretary is attached in [Annex 2](#).

4.4 The specific terms set out in the letter of 5 February are as follows:

Individual local authorities are invited to agree formally for 2015/16 to protect the number of teachers within their authority:

- (1) The maintenance as a minimum of the number of teachers employed by individual local authorities at 2014/15 levels and also the maintenance, as a maximum, of Pupil Teacher Ratio for schools within their authority at the 2014/15 levels, for each individual local authority both as reported in the Pupil and Teacher Census published in December 2014, and
 - (2) Places for all probationers who require one under the teacher induction scheme.
- 4.5 Those local authorities who do not formally make the commitment and demonstrate that it can be achieved will have their share of £41 million (which is already included in the draft settlement for 2015/16) removed from the start of the new financial year. For South Ayrshire Council this would result in a £931,000 loss of funding.
- 4.6 Council Leaders are required to confirm whether or not they intend to take up the terms of the revised offer no later than 20 February 2015.
- 4.7 If the commitment to maintain teacher numbers is met and confirmed in the publication of the annual Pupil Teacher Census statistics in December 2015, the Scottish Government will make available in December 2015 a share of an additional £10 million (increased from original offer of £8m following response from Leaders on 30 January) for 2015/16 in recognition of the general budget pressures authorities are facing. It is estimated that South Ayrshire's share of this additional funding would be circa £217,000.
- 4.8 If however formal commitment is made to accept the terms and thereby secure the current funding arrangements but teacher numbers fall below the required level then the £931,000 will be clawed back by the Scottish Government and no additional funding will be allocated.
- 4.9 South Ayrshire's school roll is likely to fall again in 2015/16. The current offer by Scottish Government does not take account of falling rolls and means the Council will be required to employ teachers who are supernumerary in secondary schools. Current projections suggest that 10 fewer teachers (£400,000) will be required as a result of falling school rolls. The inability to make reductions in teacher numbers will result in additional efficiencies being required from other services.
- 4.10 Delivery of the commitment will be monitored and Scottish Government will gather information on teacher numbers at an individual local authority level in March, June and August 2015. This will remove any flexibility around employing teachers on temporary contracts during the exam period in secondary schools.
- 4.11 Discussions between CoSLA and Scottish Government are ongoing and any updated information will be provided verbally at Leadership Panel.

5. Resource Implications

5.1 Financial

- (1) Failure to make the commitment will result in a loss of funding of £931,000 in 2015/16 and if the objectives are met as demonstrated in the annual Pupil Teacher Census statistical information published in December 2015, additional funding of circa £217,000 will be made available to the Council to address general budget pressures..
- (2) The 2015/16 Revenue Budget agreed by Council on 18 December 2014 assumed receipt of the £931,000. Failure to accept the offer being made would require further efficiencies to be made to deliver a balanced budget by early March 2015.
- (3) The average cost of employing a teacher, including on costs is £40,000. A reduction of more than 24 teachers would be required to offset the loss of funding.

- (4) Roll reduction savings normally provide around £400,000 of funding which can be used to offset budget pressures within Education.
- (5) There is a concern that failing to make the required commitment would adversely impact on South Ayrshire's share of future funding.

5.2 **Legal**

None.

5.3 **Human Resources**

None.

6. **Risk**

6.1 ***Risk Implications of Accepting the Offer***

If teacher numbers are not maintained as evidenced by Pupil Teacher Census statistical information published in December 2015 then a loss of funding of £931,000 will result and additional funding of circa £225,000 will not be forthcoming.

6.2 ***Risk Implications of Rejecting the Offer***

Loss of funding of £931,000 for 2015/16 from April 2015.

7. **Equalities**

- 7.1 The proposals in this report have been assessed through the Equalities Impact Assessment Scoping process, and there are no significant positive or negative equality impacts of agreeing the recommendations, therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Annex 3](#).

8. **Sustainable Development Implications**

- 8.1 This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

9. **Options Appraisal**

- 9.1 An option appraisal has not been carried out in relation to the subject matter of this report.

10. **Link to Council Plan**

- 10.1 The proposals contained in this report link to the Council Plan strategic objectives: 'Improve the way that we work as a Council'; and 'More children and young people are successful learners, responsible citizens, confident individuals and effective contributors'.

11. **Results of Consultation**

- (1) There has been no public consultation on the contents of this paper.
- (2) Consultation has taken place with Councillor Robin Reid, Portfolio Holder for Resources and Performance, and Councillor Margaret Toner, Portfolio Holder for Lifelong Learning.

Background Papers **None**

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Date: 16 February 2015