

A mid-term report

A first stage review of the cost and implementation of the teachers' agreement *A Teaching Profession for the 21st Century*

Prepared for the Auditor General for Scotland and the Accounts Commission

May 2006



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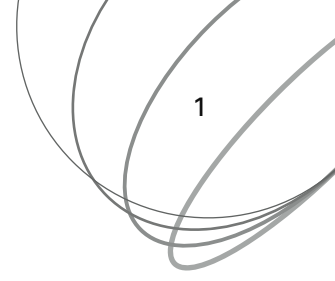
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Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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Summary



The Teachers' Agreement has brought about a number of benefits for the profession, but more work is required to demonstrate long-term outcomes and value for money.

About the study

1. This study examines the implementation of *A Teaching Profession for the 21st Century* (the Agreement). This was the tripartite agreement, reached in January 2001, between the Scottish Executive, the Convention of Scottish Local Authorities (COSLA) and teacher organisations following publication of the Committee of Inquiry into Professional Conditions of Service for Teachers report in 2000 (commonly known as the 'McCrone report'). The Agreement was designed to revitalise the teaching profession, make it a more attractive career option and address recruitment difficulties.

2. The Agreement set out a number of major changes to how education services would be delivered in Scotland in the future. These included an across-the-board 23 per cent pay increase for all teachers, a new, simplified career and salary structure, the creation of a new status of chartered teacher and a greater emphasis on Continuing Professional Development (CPD) for all teachers.

3. Between 2001 and 2006, over £2 billion of additional funding for education services was made available by the Scottish Executive to support the Agreement's implementation.

What does the study examine?

4. The study examined the following questions:

- What has the Agreement cost to date?
- What measurable outputs have been achieved with the funding provided?
- Have the milestones for change contained within the Agreement been met?
- Have the changes brought about by the Agreement made teaching a more attractive career?
- Has the Agreement delivered value for money?

5. The study does not assess the impact of the Agreement on the quality of teaching and educational attainment of children, nor does it consider the changes to the negotiating arrangements for teachers' terms and conditions arising from the Agreement. These matters will be covered by Her Majesty's Inspectorate of Education (HMIE) in their evaluation of the impact of the Agreement, which was commissioned by the Scottish Executive Education Department in 2002.¹ HMIE will report later in 2006.

6. Following publication of that report, Audit Scotland and HMIE will consider whether further work is required to assess the long-term benefits of the Agreement and evaluate the effectiveness of the various approaches adopted by local authorities in implementing the Agreement.

7. In carrying out the study, Audit Scotland:

- collected and analysed financial and non-financial data from all 32 local authorities in Scotland
- interviewed a range of involved parties, including the Teachers' Agreement Communication Team (TAC Team),² professional bodies and the Scottish Executive
- reviewed evidence provided by HMIE on the implementation process across local authorities
- commissioned independent surveys of 507 head teachers and deputes and 1,411 teachers by telephone and 2,582 support staff by self-completion questionnaire in 14 local authorities, to seek their views on various aspects of the Agreement.³

1 The terms of reference of this work are 'to identify and evaluate how pupils' experiences and achievements have improved through implementation of the Agreement.'

2 The TAC Team was established in 2002 as a joint initiative between the Scottish Executive, COSLA and local authorities. Its aims are to: ensure a strategic focus remains on the overall aims of the Agreement; ensure accurate, timely and consistent information on the Agreement is communicated and good practice and exchange of ideas promoted; identify barriers to implementation and ensure appropriate action taken; review, monitor and report progress on implementation of the Agreement.

3 All 32 local authorities were invited to participate in the independent research, of which 14 agreed to take part.

Key messages

Local authorities have spent an estimated £2.15 billion in implementing the Agreement. This is only £34.8 million (-1.6%) less than the amount the Scottish Executive estimated would be required. The Scottish Executive has not monitored the spending closely (Part 2).

The Agreement set out a number of milestones for changes between 2001 and 2006. All but one of the milestones set for completion by August 2004 were met (Part 2).

Good early progress has been made in implementing the Agreement but sustaining this will be challenging and more needs to be done to ensure the consistent adoption of good practice (Part 6).

The Agreement has brought about a number of important benefits for the Scottish teaching profession. These include:

- stable industrial relations between employers and unions as a consequence of the teachers' 23 per cent pay increase, which has also led to high levels of satisfaction with pay among all groups of teachers (Part 3)
- a positive impact on recruitment and retention rates (Parts 3 and 4)
- the introduction of a Teacher Induction Scheme (TIS) which has successfully addressed the significant weaknesses in previous induction and support arrangements (Part 4)
- an improvement in the quality and variety of CPD available to teachers (Part 4)

- a stronger commitment to the profession by more recently qualified teachers than by those who have been teaching for longer periods of time (Parts 4 and 5).

In other areas where change has been introduced, the outcomes are more mixed:

- Reductions in class contact time (RCCT) are aimed at providing teachers with adequate opportunities for preparing lessons and marking. These have been generally positive for classroom teachers but have contributed to an increase in head teachers' workload (Part 3).
- Extra administrative and support staff have been recruited to reduce the administrative burden on teachers, but at 31 March 2004, the number recruited was still 30 per cent short of the target. The benefits of these appointments are not yet being felt by a majority of classroom teachers (Part 3).
- The Chartered Teacher Scheme was designed to transform the career structure for classroom teachers. Uptake of the scheme has been limited to date, but is likely to increase in the future. The costs associated with this increased uptake would be significant (Part 5).
- The introduction of the new career structure has been broadly positive for the primary sector, but has proved more complex and challenging in the secondary sector. Additional management restructuring in this sector is creating further changes and challenges, and the long-term outcomes arising from these will need monitoring (Part 5).

It is difficult to assess the extent to which value for money has been achieved from the additional spending because clear outcome measures defining what the Agreement was intended to achieve were not included and have not yet been put in place by the Scottish Executive. The Scottish Executive should work with other parties to the Agreement to identify and report on outcome measures, such as impact on educational attainment, improvements in classroom practice, the quality of educational leadership, workload and skill-mix, workforce morale, and recruitment and retention in the profession (Part 6).

Part 1. Setting the scene



Education in Scotland

8. Education is the largest area of local government spend, currently amounting to around 45 per cent of all local government expenditure. This has increased from £2.8 billion in 1999/00 to the current level of £4.1 billion ⁴ (Exhibit 1 overleaf). The primary funding mechanism for education services is the annual Revenue Support Grant, allocated to local authorities by the Scottish Executive. Additional ring-fenced funding is provided for specific policies such as the National Priorities Action Fund. ⁵

Teacher profile

9. In 2005, there were 52,179 full-time equivalent (FTE) teachers in Scotland, ⁶ the highest number since

1983. The Scottish Executive is committed to increasing teacher numbers to 53,000 FTE by 2007. ⁷ After this date, Scottish Executive statistical projections assume numbers will reduce, due to declining school rolls (Exhibit 2 overleaf).

10. In 1990 there were 743,790 pupils in Scotland. ⁸ By September 2004 this figure had declined to 723,554 ⁹ and it is projected to fall to 640,100 by 2014. ¹⁰

11. The teaching population in 2005 comprised 22,873 FTE teachers in the primary sector, 25,613 FTE in the secondary sector, 1,662 FTE in the pre-school sector and 2,013 FTE in the special sector. Overall, 75 per cent of Scottish teachers are female, while 93 per cent of primary teachers are female. ¹¹

12. As with many countries in Europe, ¹² Scotland's teaching workforce is ageing. The average age of teachers is 44, with the age profile showing a major peak in the early 50s. ¹³

What is the Teachers' Agreement and why was it needed?

13. By 1999, the bargaining machinery by which teachers' pay and conditions of service were negotiated in Scotland, the Scottish Joint Negotiating Committee (SNJC), had begun to fail. Negotiations between local authority employers and the teaching unions had broken down and industrial action was being threatened. Teaching was a 'profession under pressure'. ¹⁴ Morale was low with many teachers

⁴ *Expenditure on School Education in Scotland 2006*, Statistics Publication Notice, Scottish Executive, 2006. The figures used here are gross revenue expenditure figures.

⁵ The National Priorities Action Fund replaced the Excellence Fund for Schools in April 2002, and was established to enable the continued support of the Government's key commitments to raise standards in Scotland's schools as well as the continued promotion of social inclusion.

⁶ *Teachers in Scotland 2005*, Scottish Executive, 2006.

⁷ *A Partnership for a Better Scotland*, Scottish Executive, 2003.

⁸ *Pupil Teacher Numbers*, Scottish Executive, 2004.

⁹ *Pupils in Scotland 2004*, Scottish Executive, 2005.

¹⁰ *Children Educated Outwith School and Pupil Projections 2005*, Scottish Executive, 2005.

¹¹ *Teachers in Scotland 2005*, Scottish Executive, 2006.

¹² *The Teaching Profession in Europe: Profile, Trends and Concerns, Report II Supply and Demand*, Eurydice, 2002.

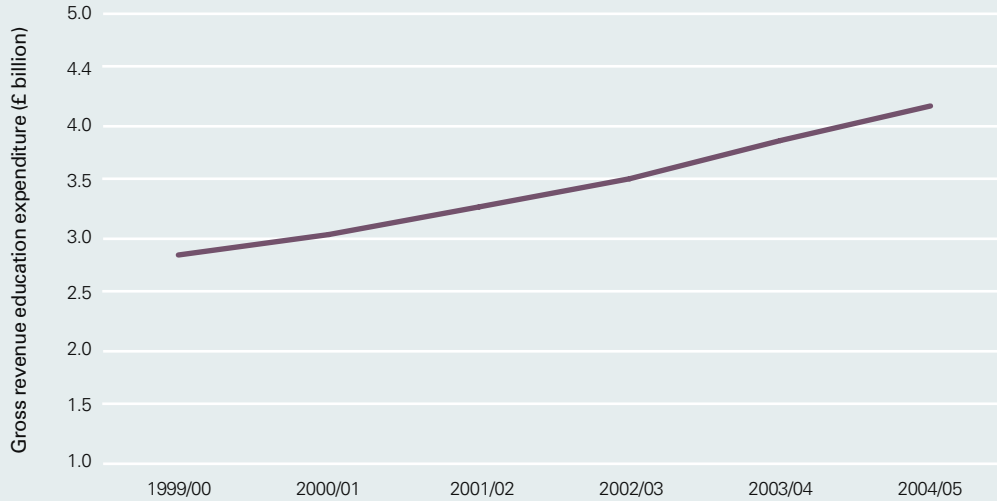
¹³ *Teachers in Scotland 2005*, Scottish Executive, 2006.

¹⁴ *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers*, 2000.

Exhibit 1

Scottish Education Expenditure 1999-2005

Education expenditure has increased from £2.8 billion in 1999/00 to £4.1 billion in 2004/05.

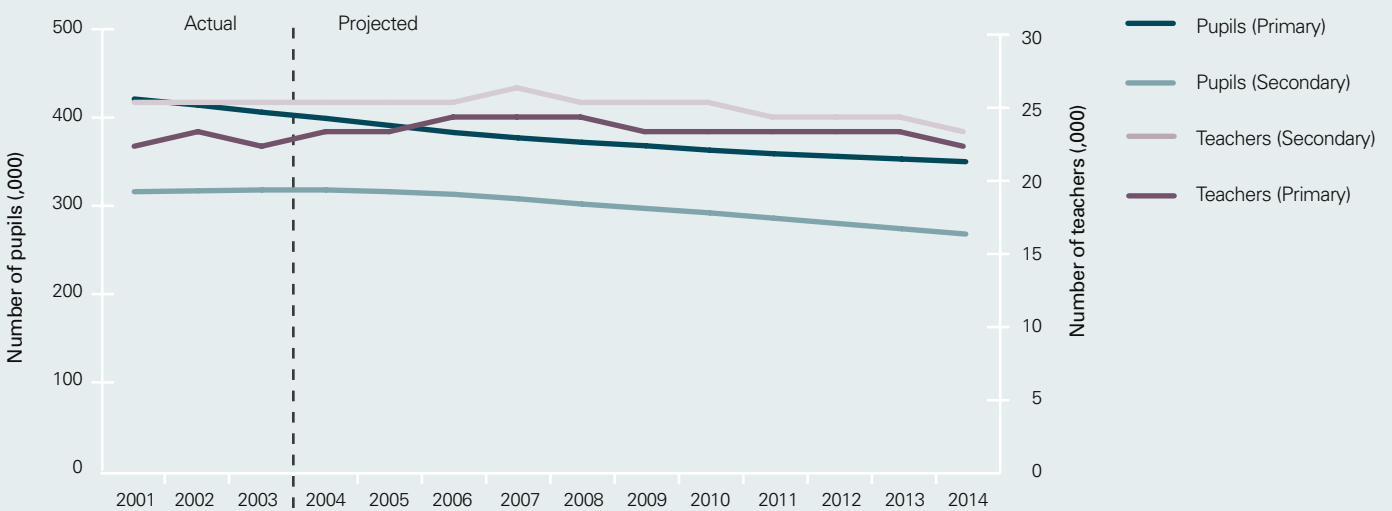


Source: Expenditure on School Education in Scotland 2006, Statistics Publication Notice, Scottish Executive

Exhibit 2

Scottish Executive pupil and teacher projections for Scotland (2000-2014)*

The Scottish Executive project that the number of pupils and teachers in Scotland will fall in future.



Note: * At the time of the publication of the chart by the Scottish Executive, ministers had yet to make policy decisions on staffing levels beyond 2007. Projections beyond 2007 are therefore based on an assumption that pupil/teacher ratios will remain constant at 2007 levels.

Source: Teacher Workforce Planning 2005/06, Scottish Executive

increasingly feeling underpaid, undervalued and overworked.¹⁵ Teaching was becoming perceived as an unattractive profession.

14. In response, the then Minister for Children and Education, Sam Galbraith MSP, initiated a Committee of Inquiry into Professional Conditions of Service for Teachers (otherwise known as the McCrone Committee) in 1999. The committee's remit was to inquire widely and make recommendations on:

- 'how teachers' pay, promotion structures and conditions of service should be changed to ensure a committed, professional and flexible teaching force which would secure high and improving standards of school education for all children in Scotland into the new Millennium'
- 'the future arrangements for determining teachers' pay and conditions in Scotland following the removal of the statutory basis of the Scottish Joint Negotiating Committee, as proposed by the Scottish Executive'.¹⁶

15. The committee published its report, and the proposals arising from its work in May 2000 in the document entitled *A Teaching Profession for the 21st Century*. Its recommendations aimed to ensure that Scotland's education service is able to provide learners with the skills needed to operate effectively in the increasingly competitive, high-skill, high-productivity world of the 21st century.

16. The recommendations laid out in the committee's report formed the basis of the tri-partite agreement reached between the Scottish Executive, COSLA and teacher organisations (the Agreement). It proposed significant changes to Scotland's teaching profession, including:

- a revised salary (which offered a 23 per cent increase over three years for all teachers)
- a more streamlined career structure
- a new status of chartered teacher (for those teachers who wish to remain in the classroom rather than pursue managerial posts)
- greater emphasis on CPD for all teachers.

These changes were designed to revitalise the teaching profession, make it a more attractive career option, and address recruitment difficulties.

15 Ibid.
16 Ibid.

Part 2. Implementation and cost



Key findings

Local authorities have spent an estimated £2.15 billion in implementing the Agreement. This is only £34.8 million (-1.6 per cent) less than the amount the Scottish Executive estimated would be required. The Scottish Executive has not monitored the spending closely.

The Agreement set out a number of milestones for changes between 2001 and 2006 for education services in Scotland. All but one of the milestones set for completion by August 2004 have now been met. A number of important benefits have arisen for the teaching profession in Scotland. These need to be balanced against more mixed outcomes in some areas. The cost-effectiveness of the changes and the extent to which value for money has been achieved from the additional investment cannot readily be assessed because of the absence of clear outcome measures which define what the Agreement was intended to achieve.

The Agreement does not contain any clear outcome measures. This makes it difficult to form definitive judgements on its overall impact

17. The signing of the Agreement in January 2001 was seen by the signatories as the starting point of the process of reform and modernisation of the teaching profession in Scotland. Implementation was to be phased in between 2001 and 2006.

18. A series of milestones for change were set out within the Agreement. These included: payment of stage two of the pay award by April 2002; the introduction of new probation arrangements by August 2002 and the final reduction in class contact time (all sectors to 22.5 hours per week) to be introduced by August 2006.

19. The Agreement is strong in detailing what needs to be done (as set out in its various milestones) and by when (the timetable for implementation), but it is not clear about how the relative cost and impact of the changes should be assessed.

This, in part, reflects the more limited focus on outcomes within public policy at the time.

20. The Agreement, or subsequent guidance from the Scottish Executive and other parties to the Agreement, should have included specific outcome measures related to its expected benefits in areas such as:

- impact on educational attainment
- improvements in classroom practice
- the quality of educational leadership
- workload and skill-mix
- workforce morale
- recruitment and retention within the profession.

All the milestones set for August 2004 were met, except the one linked to the recruitment of additional support staff

21. Local authorities had flexibility in their approach to the implementation of some elements of the Agreement (eg, recruiting and deploying support staff) allowing them to tailor their approach to suit local needs and circumstances. This recognised that:

- the starting point for each local authority in implementing the Agreement was different. For example, local authorities' existing CPD structures varied widely, with some requiring more work than others to implement the new arrangements
- specific local factors could help or hinder progress and might require innovative local solutions. For example, rural local authorities faced greater challenges in attracting and recruiting the additional teaching staff needed to meet the milestone linked to reducing class contact time.

22. Exhibit 3 (overleaf) outlines progress towards the milestones for implementing the Agreement. Exhibit 6 (page 12) identifies the costs associated with each key initiative area over the entire implementation period.

23. All the milestones due for completion by August 2004 were achieved, with the exception of the one related to additional support staff. Local authorities have reported that this milestone would be completed by April 2006. The failure to meet this milestone by the deadline date of 31 March 2004 arose because in some local authorities:

- consultations with Local Negotiating Committees for Teachers and negotiations with unions representing support staff took longer than anticipated
- workforce planning (ie, determining where and how resources should best be deployed) has taken time to be fully worked through
- pilot initiatives were rolled out and evaluated before full-scale recruitment of support staff took place.

24. The successful achievement of the milestones due for completion by August 2004 has delivered a number of significant benefits. These include:

- a valuable sustained period of industrial harmony due to the across-the-board salary increases for teachers
- improved terms and conditions for teachers – salary levels for teaching staff in Scotland now compare favourably with those of comparable professional groups
- the appointment of an additional 1,573 FTE teachers to reduce class contact time and 3,125 FTE additional support staff to take over administrative and other non-teaching tasks which, under the Agreement, should not routinely be carried out by teachers
- improvements in the structure of support provided to newly qualified probationer teachers and a significant reduction in the time taken to achieve teacher registration following qualification (now only one year instead of two years equivalent)
- increased and more consistent access to CPD opportunities for teachers

- strengthened management capacity in the primary sector through the changes to the career structure.

25. The final reduction in class contact time (to a maximum of 22.5 hours per week) will take effect in August 2006. Some local authorities have reported that they may find it difficult to achieve this milestone.

26. Parts 3 to 5 of the report examine the benefits and negative consequences arising, to date, from the Agreement. It also identifies those areas of the Agreement where positive change cannot yet be demonstrated.

The Scottish Executive and COSLA estimated that the Agreement would cost approximately £2.19 billion to implement

27. Determining an appropriate level of funding for large-scale public sector service change is a complex and difficult task. In some areas of the Agreement, such as the teachers' pay award, planning could take place with a relatively high degree of certainty, given that teacher numbers and their pay rates are known. Other aspects of the Agreement (eg, the recruitment of administrative and support staff) allowed for a range of different approaches to be adopted by local authorities, leading to a high degree of uncertainty in any cost calculation.

28. The Scottish Executive Education Department's approach to determining funding for the Agreement was to estimate likely costs against known parameters (such as teacher numbers and projected pupil numbers) and, at key points during the implementation period, to negotiate with groups such as COSLA and teaching unions on the level of funding that was needed.

Exhibit 3

Summary of the Agreements' key initiatives and outcomes achieved

The Agreement set out a number of milestones for change between 2001–06.

Key initiative area	What was to be achieved?	When was it to be achieved?	Milestones 2001-06					Result
			01	02	03	04	06	
Teachers' three-year pay award (2001-2004)	A pay structure that would recruit, retain and motivate high-quality graduates.	2001 – 10% increase. 2002 – 4% increase. 2003 – 3.5% (Jan) + 4% increase.						Fully funded. 23% pay award made to approximately 54,000 FTE* across Scotland.
Reducing class contact time (RCCT)	Recruit additional teachers to allow existing teachers more time outwith the classroom for lesson preparation, curriculum development, etc.	2004 – Primary sector to 23.5 hours. 2006 – All sectors 22.5 hours.						2004 milestone has been achieved. 1,573 FTE recruited to date. 97% of head teachers confirm obligations are being met.
New career structures	Job-sizing exercise for all teachers in promoted posts in Scotland. Introduction of simplified career structure.	2002 – Introduction of new career structure. 2003 – Completion of job-sizing exercise.						Fully in place. Job-sizing exercise completed by August 2003.
Chartered Teacher Scheme	Reward teachers who wish to remain in the classroom through their successful participation in the Chartered Teacher Scheme.	2002 – Introduction of new status of chartered teacher as part of new career structure.						Chartered teacher status fully introduced. Scheme first operational in 2003. 201 fully-fledged chartered teachers to date and 2,800 participating.
Teacher Induction Scheme (TIS)	Introduce a TIS which guarantees all newly qualified teachers a one-year training contract.	2002 – Introduction of new probation arrangements.						New arrangements fully in place. 8,705 probationer teachers provided a guaranteed place to date.
Continuing Professional Development (CPD)	Provide maximum 35 hours of CPD per annum. Improve the variety and quality of CPD opportunities (eg. improved access to ICT, provision of training courses, etc).	2001 – Introduction of additional 35 hours per annum CPD. 2003 – Teachers expected to meet full commitment of additional 35 hours.						Improved variety and quality of CPD. 93% of teachers surveyed have a CPD plan. 97% surveyed have an annual CPD record.
Administrative and support staff	Recruit 3,500 or equivalent administrative and support staff, to give teachers more quality time in the classroom to teach.	2004 – Completion of recruitment of additional support staff.						31 March 2004 milestone not met. Only 2,446 FTE support staff in place by 31 March 2004. 3,125 FTE recruited as at July 2005. Additional 318 FTE scheduled to be recruited by April 2006.

Note: * Includes teachers, music instructors, educational psychologists, quality improvement officers and education support officers.

Source: Audit Scotland fieldwork

Exhibit 4

Scottish Executive/COSLA statement of funding to support implementation of Agreement (2001/02 to 2005/06)
Both the Scottish Executive and local authorities made funding available to support implementation of the Agreement.

	2001-02 £m	2002-03 £m	2003-04 (as revised by SEED in March 2003) £m	2004-05 £m	2005-06 £m	Total £m
Scottish Executive funding						
LA Revenue Support Grant	92.9	193.9				
Excellence Fund Specific Grant	12.5	12.5				
Central Government programmes	70.6	67.6				
Spending round 2000			405	405	405	
Spending round 2002			11	108	163	
Additional funding*			23.5	18.5	33	
Additional funding for probationers			11.2	9.5	8.5	
Total Scottish Executive funding	176	274	450.7	541	609.5	2,051.2
Local authority funding contribution	2.2	26.1	25.5	25.5	25.5	104.8
Potential total funding	178.2	300.1	476.2	566.5	635	2,156

Note: *Actual funding of £75 million was provided to local authorities. This is £5 million less than initially identified in the 2003 funding statement.

Source: Letter from Jack McConnell MSP, Minister for Education, Europe and External Affairs to Councillor Norman Murray, President, COSLA, 22 January 2000, letter from Cathy Jamieson MSP, Minister for Education and Young People, to Pat Watters, President, COSLA, 25 March 2003 and figures provided by the Scottish Executive.

29. All signatories to the Agreement recognised that some form of flexibility would be required to allow funding allocations to be reviewed in areas where the cost could not fully be determined at the beginning of the implementation process. Consequently, the initial funding allocation of £854.9 million only covered three years: 2001/02 to 2003/04.¹⁷

30. In line with this partnership-based approach, the March 2003 funding statement from the then Minister for Education and Young People¹⁸ set out the key cost areas for the 2003-06 period of implementing the Agreement following consultation between COSLA and the Scottish Executive (Appendix 2). This was the first document to set out detailed costing assumptions relating to the main milestones within the Agreement (RCCT, additional support staff, TIS, job-sizing).

31. This 2003 funding statement revised upwards by £51.5 million the predicted cost of implementing the Agreement during the period 2003/04 (compared to the earlier Scottish Executive funding allocation in 2000) and provided for additional funding of £80 million for the final three years of implementation of the Agreement.

32. The funding statement contained a number of important cost and savings assumptions. These were:

- continued local authority funding of £25.5 million for each of the remaining three years of the Agreement
- efficiency savings through falling school rolls, of £15 million in 2004/05 and £22 million in 2005/06 (a total of £37 million over the whole period of the Agreement). These sums were removed from local authority GAE allocations.

33. Taking the 2000 and 2003 Scottish Executive funding announcements together, the Scottish Executive made £2.05 billion of direct funding available to support delivery of the Agreement, with a further £104.8 million assumed through local authorities' own contributions (Exhibit 4).

34. The assumption that £37 million would be available from local authorities as a result of falling school rolls brings the total indicative funding for the Agreement between 2001 and 2006 to £2.19 billion.

Local authorities have spent an estimated £2.15 billion implementing the Agreement

35. Between 2001 and 2006, local authorities have spent an estimated £2.15 billion on implementing the Agreement (Exhibit 5 overleaf). This is only £34.8 million (-1.6 per cent) less than the amount the Scottish Executive estimated would be required (Exhibit 6 overleaf).

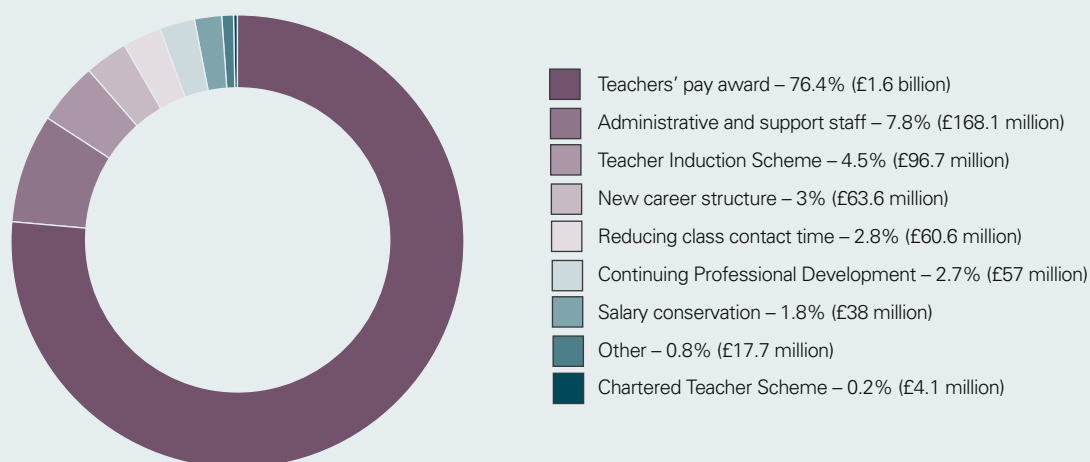
17 Letter from Jack McConnell MSP, Minister for Education, Europe and External Affairs, to Councillor Norman Murray, President, COSLA, 22 January 2000.

18 Letter from Cathy Jamieson MSP, Minister for Education and Young People, to Pat Watters, President, COSLA, 5 March 2003.

Exhibit 5

Local authority expenditure on the Agreement (2001/02 to 2005/06)*

Local authorities have spent an estimated £2.15 billion implementing the Agreement.



Note: * Expenditure figures for 2001/02 to 2004/05 are out-turn figures. Figures for 2005/06 are local authority estimates.

Source: Audit Scotland fieldwork

Exhibit 6

Local authority spending versus Scottish Executive costing assumption (2001/02 to 2005/06)

There is a very close match between the costing assumptions and actual spend.

Key initiative area	Local authority spending (£m) 2001-2006*	Costing assumptions (£m) 2001-2006	Variance between actual spend and costing assumptions
Teachers' pay award	1,641.8**	1,661.05	-1% (-£19.25m)
RCCT	60.6	70.8	-14% (-£10.2m)
Administrative and support staff	168.1	192	-12% (-£23.9m)
CPD	57	53	+8% (+£4m)
TIS	96.7	96.3	+0.4% (+£0.4m)
Chartered Teacher Scheme	4.1	8	-49% (-£3.9m)
New career structure	63.6	64.4	-1% (-£0.8m)
Salary conservation	38	26.35	+44% (£11.65m)
Other	17.7	10.5	N/A***
Total	£2,147.6	£2,182.4	-1.6% (-£34.8m)

Notes:

* Financial data for 2005/06 was gathered in June 2005 and is therefore an estimate, based on local authorities' planned spend for that year.

** This figure includes a number of estimates, as a small number of local authorities did not provide this data for 2004/05 and 2005/06.

*** No variance figure has been presented, as definitional differences mean that it is not possible in this area. The £10.5 million costing assumption relates to the additional expenditure provided by the Scottish Executive to 13 local authorities where historic funding difficulties were identified. However, the £17.7 million expenditure figure relates to local authorities' implementation of the Agreement, funded through other Scottish Executive education initiatives, such as the National Priorities Action Fund.

Source: Costing assumptions provided by Scottish Executive. Local authority spend figures from Audit Scotland fieldwork.

36. The Scottish Executive has been able to provide data (based on workforce modelling calculations) which indicates that some efficiency savings linked to falling school rolls were delivered during the period of the Agreement. Similarly, assurances have been given by the Scottish Executive that local authorities did make financial contributions to support implementation of the Agreement. However, the Scottish Executive has not been able to provide precise figures in either of these areas.

37. Consequently, we do not know what proportion of the difference between the Scottish Executive direct funding and total expenditure incurred by local authorities has arisen through:

- their own financial contributions towards implementing the Agreement
- efficiency savings that have materialised as a result of falling school rolls

The Scottish Executive relied on proxy measures to monitor delivery of the Agreement

38. In monitoring delivery of the Agreement, the Scottish Executive:

- commissioned HMIE to evaluate the impact of the Agreement through annual interviews with local authorities and visits to schools
- jointly set up the TAC Team with COSLA and local authorities to review, monitor and report progress, identify barriers to implementation and disseminate best practice

- liaised regularly with ADES (Association of Directors of Education for Scotland) and other professional bodies
- requested 'light touch' plans¹⁹ from local authorities on how they intended to utilise their funds for management restructuring
- monitored a range of proxy measures, such as teacher numbers, to assure itself that the additional resources required to deliver the Agreement were being put in place by local authorities
- commissioned research on behalf of SNCT to audit the number of support staff at 31 March 2004, and in August 2006 to evaluate the implementation of the working week and teacher workload.

39. These mechanisms provided the Scottish Executive with information on progress that was being made in meeting the milestones within the Agreement and provided assurance that change was taking place. However, this approach meant that the Scottish Executive was not well-placed to monitor expenditure in areas where only limited proxy data was available, or where proxies provided only a weak link with expenditure or cost. The consequence of this is explored in paragraphs 45-48 of the report.

Expenditure has been in line with the costing assumptions in the areas of pay, new career structure and TIS, but there have been variances in all other spend areas

40. Exhibit 6 identifies the cost of implementing each of the main elements of the Agreement compared to the costing assumptions.

41. There is a close match between estimated and actual spending in the following areas:

- Pay award
- TIS
- New career structure.

42. The costing assumptions associated with the teachers' pay award and the TIS are based on extensive modelling work undertaken by the Scottish Executive, using known variables such as teacher numbers. We would, therefore, expect to see a close match between costing assumptions and overall expenditure.

43. The close match between the new career structure expenditure and costing assumptions reflects the extent to which this aspect of the Agreement was subject to scrutiny by the Scottish Executive. The requirement for 'light touch' plans from local authorities detailing how they intended to use funds allocated in this area required detailed financial planning and provided a basis for specific monitoring.

44. CPD was distributed as a specific grant which could only be used for agreed purposes. The £4 million overspend is at least in part likely to represent the impact of those local authorities which already had well-developed CPD arrangements in place.

Exhibit 7

Variance between costing assumptions and actual spend across specific key initiatives

In a number of key initiative areas, there have been significant variances between costing assumptions and actual spend.

Key Initiatives		2001/ 2002 £m	2002/ 2003 £m	2003/ 2004 £m	2004/ 2005 £m	2005/ 2006 £m	Total £m
Recruiting extra teachers to reduce class contact time	Costing assumption				28.3	42.5	70.8
	Local authority spend			0.5	23.3	36.8	60.6
Recruiting extra administrative staff to help with non-teaching tasks	Costing assumption	12	30	50	50	50	192
	Local authority spend	5.5	19.5	36.3	46.2	60.6	168.1
Rewarding teachers who participate in the Chartered Teacher Scheme	Costing assumption				2.9	5.1	8
	Local authority spend			0.2	1.3	2.6	4.1
Salary conservation	Costing assumption			12	10.3	4.05	26.35
	Local authority spend			10.4	14.2	13.4	38

Source: Costing assumptions provided by Scottish Executive. Local authority spend figures from Audit Scotland fieldwork

45. More significant variances between the costing assumptions and actual expenditure are identified in the following areas:

- Administrative and support staff
- Chartered Teacher Scheme
- RCCT
- Salary conservation.

46. Exhibit 7 shows the main variations between costing assumptions and local authority spend over the five-year implementation period of the Agreement.

47. The variances can be explained as followed:

- **Administrative and support staff** – The difference between actual spend and costing assumptions reflects slow progress in recruiting the estimated 3,500 additional staff required to reduce the administrative burden on teachers and give them more time to teach in the classroom. This task was scheduled to have

been completed by 31 March 2004, but at that date only 2,446 FTE had actually been recruited (ie, 70 per cent of the required total). The underspend in this area reflects the fact that not all local authorities met the 31 March 2004 milestone. Part 3 further explores the reasons for this.

- **RCCT** – There is a significant difference of £10.2 million between Scottish Executive costing assumptions and actual expenditure by local authorities in this area. Two factors explain this. Firstly, the Scottish Executive modelled the resources required to reduce class contact time (using pupil projections and workforce planning data) but some local authorities adopted different, and in some cases less costly, models to those assumed by the Scottish Executive. Secondly, a number of local authorities have reported that they are holding back funding into the period 2006/07 to enable them to meet the final reduction in class contact time milestone which is not scheduled for completion until August 2006.

- **Chartered Teacher Scheme** – The Chartered Teacher Scheme was introduced in 2003. Although the Scottish Executive set no specific target figure for numbers likely to participate in the scheme, the numbers of teachers currently participating in the scheme (2,800) and who have successfully completed the scheme to date (201) have been small. These numbers are lower than the Scottish Executive's financial modelling would have suggested (based on the costs associated with the salary enhancements which accrue to teachers upon completion of the scheme). Only 45 per cent of the estimated amount required was used in 2004/05.

- **Salary conservation** – The Scottish Executive modelled estimates for salary conservation costs on the assumption that these costs would fall out of the system within five years, as in that period most people affected would retire, be promoted or have their post resized to iron out salary conservation. This was an

overly optimistic assessment as the financial returns from local authorities indicate that it is more likely that these costs will take 10 to 20 years to fall out of the system, due to the age profile of the individuals affected.

48. The absence of routine financial monitoring by the Scottish Executive and its reliance on more general intelligence on implementation of the Agreement from HMIE, TAC Team and others was a weakness in the financial governance of the implementation of the Agreement.

49. Any future large-scale public service change programme which requires significant levels of new expenditure should be supported by comprehensive financial monitoring. This should be linked to the achievement of predetermined outcomes.

Recommendation

- The Scottish Executive should agree in advance financial monitoring processes for any future large-scale public service change programmes which carry significant levels of expenditure.

The long-term nature of the changes, and the absence of clear outcome measures, mean that it is not possible to judge the value for money achieved from the additional spending at this stage

50. Assessing the extent to which value for money has been achieved from something as complex as the Agreement is not straightforward. The changes to be brought about by the Agreement were seen by the signatories to it as a long-term process, perhaps spanning a whole generation of teachers and pupils. This means that forming judgements on some aspects, for example, its impact on educational leadership and performance improvements (such as school attainment levels), can only take place once an appropriate period of time has elapsed; certainly longer than the five years which has currently passed since the Agreement was signed.

51. Value for money judgements are further complicated by the fact that the Agreement lacks clear outcome measures. As discussed previously, this makes assessing impact difficult. We consider aspects of value for money such as the cost and impact of several areas of the Agreement (eg, pay, TIS, administrative and support staff) in more detail in parts 3 to 5 of this report.

Recommendation

- The Scottish Executive should set clear outcome measures and timescales within any future large-scale public service change programme.

Part 3. What differences have the changes to terms and conditions of service introduced by the Agreement made?



Key findings

The pay increase of 23 per cent over three years has secured stable industrial relations between employers and teacher organisations, and has brought entry level pay into line with average graduate starting pay. Satisfaction with pay is high among all groups of teaching staff (head teachers, deputies and classroom teachers).

RCCT to provide teachers with adequate opportunities for lesson preparation, etc, have been achieved by recruiting an additional 1,573 FTE teachers. While the reductions have been generally positive for teachers, they have contributed to an increased workload for head teachers.

An extra 3,125 FTE administrative and support staff have been recruited to reduce the administrative burden on teachers. These staff are carrying out tasks identified in Annex E of the Agreement, but their impact is

not yet fully felt by a majority of classroom teachers.

In this section we consider the Agreement's impact on pay, class contact time (time spent in class) and the extent to which administrative and support staff are reducing the administrative burden upon classroom teachers.

The 23 per cent pay award for teachers has secured stable industrial relations and delivered high levels of satisfaction with pay

Pay

52. Recognising the importance of competitive salaries to recruit, retain and motivate high-quality graduates, and to promote and reward effective teaching and management in schools, the McCrone Committee commissioned independent research into teachers' pay. The committee concluded that a basic salary increase for all teachers would not be fully justified. They recommended adjustments, particularly towards the top end of the profession, to ensure salaries remained competitive. They also argued that teachers' salaries

should rise steadily and consistently over the years, and that probationers' pay should be more competitive in order to attract high-quality graduates.

53. The Agreement stipulated:

- a 23 per cent salary increase for all teachers over three years 2001-04
- salaries for probationers were to be increased to over £17,000 by January 2003
- a new pay range was to be introduced for head teachers and deputies by August 2003, with higher pay at the top end of the scale.

54. Teachers' salary scales pre- and post-Agreement are shown in [Exhibit 8](#).

55. The three-year pay award in 2001 helped to secure stable industrial relations and paved the way for a further award of 10.43 per cent over the four-year period from 2004-08. Our survey work identified high levels of satisfaction with pay among

Exhibit 8

Teachers' salary scales pre- and post-Agreement

All teachers saw a significant increase in pay as part of the Agreement.

	First scale point		Top scale point	
	Before April 2001	August 2003	Before April 2001	August 2003
Classroom teacher	£14,022	£18,000	£23,313	£28,707
Chartered teacher	N/A	£29,601	N/A	£35,199
Principal teacher	£26,301	£31,299	£30,681	£40,401
Depute head & head teacher	£28,881	£35,500	£54,774	£69,300

Source: *A Teaching Profession for the 21st Century* (the Agreement)

all groups of teachers – 78 per cent of all head teachers and deputies and 80 per cent of teachers are satisfied or very satisfied with pay levels within the profession.

56. Pay is also seen as the key reason why teaching has become more attractive since the Agreement. Teaching staff are twice as likely to feel that teaching has become more rather than less attractive since the introduction of the Agreement, and the main reason for this is pay.

57. Furthermore, the increase in starting salaries for probationer teachers has ensured that the financial rewards associated with teaching are now on a par with other graduate professions (Exhibit 9). This may be partly responsible for the significant increase in the number of individuals applying to the one-year post-graduate teaching course (PGCE). Between 2002/03 and 2005/06 the number of

individuals applying to primary and secondary PGCE courses rose by 26 per cent. In the secondary sector, this increase was 40 per cent.²⁰

Has this aspect of the Agreement achieved value for money?

58. The pay award has succeeded in making salaries more attractive to existing teachers and to graduates, but it is too soon to assess whether value for money has been delivered. This can only be based on a longer-term evaluation of:

- the educational benefit of these changes
- evidence of sustained improvements in recruitment and retention of quality teachers within the profession. This is an area that will be subject to scrutiny by HMIE.

RCCT (time spent in class) are working well for classroom teachers, but have contributed to an increased workload for head teachers

Class contact time

59. The McCrone Committee identified that the existing arrangements for work were incompatible with a truly professional approach to work. The existing system had not afforded meaningful protection from increasing workload or longer hours because of the sense of duty and commitment displayed by the teaching profession.²¹ Responses to the committee's consultation indicated that the vast majority of teachers considered workload to be among the most pressing problem facing the profession.

60. The McCrone Committee therefore made a series of recommendations aimed at providing a framework of resources, organisation and support which balanced the responsibilities of teachers to be committed professionals against their right to expect adequate support from their employer.

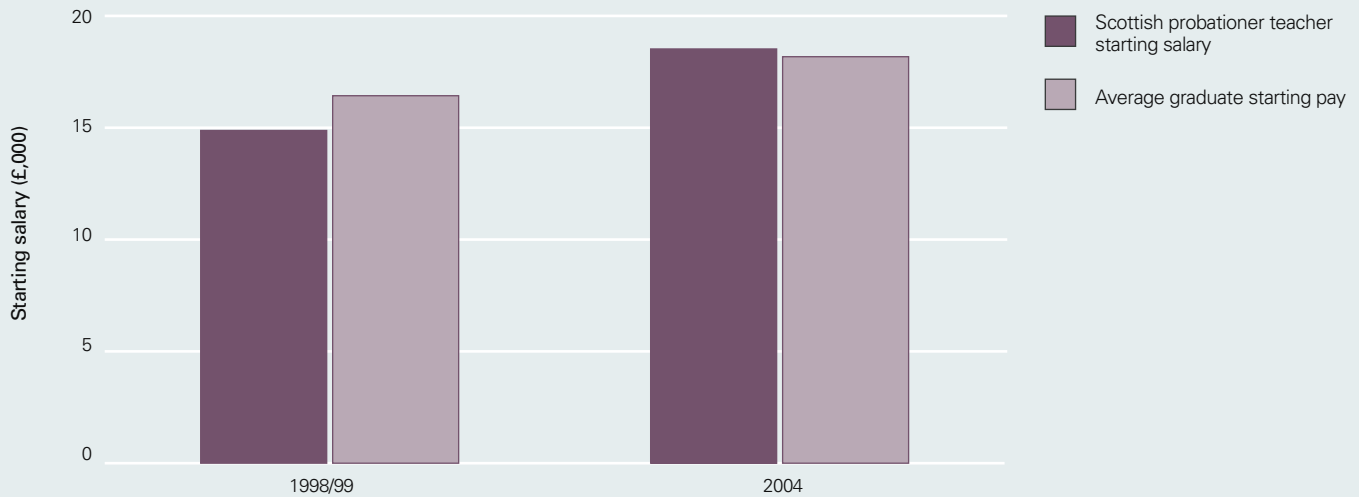
²⁰ Figures provided by the Scottish Executive to Audit Scotland.

²¹ *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers*, 2000.

Exhibit 9

Scottish probationer teacher salaries vs average graduate starting salaries

Scottish probationer teacher salaries are now on a par with other graduate professions.



Source: *A Teaching Profession for the 21st Century*, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers; SNCT-33 Salaries Agreement 2004-2008 & Graduate Market Trends and Vacancy Survey, Prospects

61. The Agreement introduced:

- a 35-hour week for all teachers from August 2001
- a phased reduction in maximum class contact time to 22.5 hours per week across the primary, secondary and special school sectors
- an allowance of personal time for preparation and marking/grading during the phasing-in period. This allowance would be no less than one-third of the time that teachers spend in the classroom
- a contractual obligation that, from August 2006, teachers would work a 35-hour week of which a maximum of 22.5 hours would be teaching in class.

62. Implementing this initiative depended on recruiting additional teaching staff to provide cover during the non-class contact time (ie, the difference between the 22.5 hour class contact time commitment in the

Agreement and the 27 hours which pupils attend school each week).

63. Generally, this aspect of the Agreement has been successfully implemented:

- a total of 1,573 FTE staff have been recruited to date
- 97 per cent of head teachers interviewed confirmed the obligations are being met
- two-thirds of teachers interviewed believe that these new arrangements are having a positive effect in providing them with protected time outwith the classroom – giving them more opportunity to both develop their own skills and to provide dedicated time for curriculum development and lesson preparation.

64. Head teachers have always provided some cover in the classroom but implementing the changes to support the RCCT

milestones, the last of which is due to take effect in August 2006, has proved challenging for many of them:

- 63 per cent of those interviewed identified that they have, at some point, had to personally provide cover for teaching staff
- 22 per cent identified that they are doing this once a week or more.

65. The reasons for this are complex and may be due to capacity problems in the supply pool for unplanned supply cover, caused by a combination of:

- local authorities recruiting increasing numbers of permanent peripatetic supply teachers, to support RCCT on a planned basis
- the new probation arrangements that guarantee probationary teachers a one-year placement may have depleted the overall supply pool, as many probationers would traditionally have undertaken supply work.²²

66. Any depletion of the general supply teaching pool could create difficulties in securing cover for teacher absences such as sickness, CPD or training. Further work is needed by the Scottish Executive and local authorities to develop a better understanding of these issues.

Has this aspect of the Agreement delivered value for money?

67. It is clear that the £60.6 million spent in this area has, in large part, achieved the milestone within the Agreement. However, there have been unintended consequences for head teachers and deputies which, if not addressed, may have detrimental implications for the management of schools.

Recommendations

- The Scottish Executive needs to work with local authorities to monitor the size of the supply pool in Scotland to inform workforce planning.
- The Scottish Executive and local authorities need to develop strategies to attract registered teachers back into schools to increase the size of the supply pool.

New administrative and support staff are now in place, but a majority of teachers are not fully feeling the benefit

Administrative and support staff

68. The McCrone Committee described teachers as 'a valuable resource' and identified the importance that 'their skills be used to best advantage in the education of young people'.²³ The committee's view was that there must be provision

for teachers to focus on tasks directly related to teaching, including marking and preparing lessons.

69. The committee drew on some of the earlier recommendations of the 1999 Accounts Commission/HMIE Study – *Time for Teaching*,²⁴ which identified that administrative and clerical staff could be used more effectively to reduce the administrative burden on teachers. The following measures were incorporated within the Agreement:

- There would be significant investment in support staff (approximately the equivalent of 3,500 staff) phased in over three years from 1 April 2001. These additional staff should provide bursar, administrative and ICT support to schools.
- Classroom assistants would be introduced to secondary schools as part of the general increase in staffing resources in schools.
- Additional resources should be determined on the basis of local need and within the context of devolved school management arrangements.
- All schools would have somebody available to deal with routine emergencies and contact with parents during the pupil day. This resource would be found through the review of existing support staff arrangements or as part of the additional support staff allocation.
- Certain tasks would not routinely be carried out by teachers (these are set out in Annex E of the Agreement).

70. Recruitment to the support staff posts required has been achieved in part – a total of 3,125 FTE have been recruited (as at July 2005) against an indicative figure of 3,500 FTE. Progress in recruitment to these posts has been slower than anticipated. It was scheduled to have been completed by 31 March 2004, but only 2,446 FTE were in post at that date. Local authorities identified that the main reasons for this were as follows:

- Planning for where and how resources should best be deployed has taken time to be worked through.
- Pilot initiatives were rolled out and evaluated before full-scale recruitment of support staff took place
- Consultation, on implementation, with unions, head teachers and support staff groups took longer than expected.

71. The new posts covered three main groups, in line with the McCrone Committee recommendations:

- classroom assistants
- administrative and clerical staff
- business/support managers.

72. Most support staff are carrying out the tasks identified in Annex E (Exhibit 10 overleaf).

73. The roles undertaken by support staff match those expected under the Agreement, but the effect of these posts is not yet being felt by all classroom teachers. Only 45 per cent of teachers interviewed stated that the perceived benefits of these

Exhibit 10

Tasks undertaken by support staff, by type of post

Post type	Key task from Annex E	Percentage undertaking this task
Administrative and clerical	Copy typing/filing/photocopying	95
Classroom assistant	Supervision of pupils within the school grounds	87
Business manager	Financial accounting and budgeting	77

Source: Audit Scotland School Staff Survey, 2005

appointments has been delivered. This can be explained by a number of factors:

- There is a perception among teachers that the level of general administrative tasks over the period of the Agreement has not reduced.
- Staff allocation to whole school tasks (rather than classroom-based support) has not directly reduced the non-teaching task load of the classroom teacher. Therefore, the teachers themselves do not see any personal gain.
- Recruitment to these posts is still under way and the full benefits cannot yet be seen.

What do support staff think?

74. Support staff are integral to delivering the Agreement. Their role should affect teachers directly, supporting them by carrying out a range of administrative and non-teaching tasks. Appropriate structures (such as training, career

progression, reward) need to be in place to attract more support staff and encourage them to stay in post.

75. Our survey of 2,582 support staff from 14 local authorities sought their views on a wide range of issues related to their roles, and provided an encouraging picture on work, job security, training opportunities and CPD. However, 61 per cent said that they felt that there were currently inadequate opportunities for career progression. This could make it difficult to retain skilled staff within the system and is clearly an issue that will require close monitoring in the future. The extent to which this perception may influence the performance of this group remains to be determined.

Has this aspect of the Agreement delivered value for money?

76. Appropriate levels of support staff have been recruited, and their roles have been built around administrative and non-teaching tasks which should no longer be undertaken by teachers, but the desired outcome from this initiative

has yet to be achieved. This may change over time as support staff are further integrated within the school environment and teachers develop an appreciation and understanding of their role. The relatively early stage of implementation and ongoing nature of this aspect of the Agreement means that it is not yet possible to assess value for money fully.

Recommendations

- Local authorities should address the perception of limited career progression opportunities held by support staff, and monitor recruitment and retention.
- SNCT should monitor the impact of support staff on classroom teachers and ensure that they are effectively integrated within the school environment.

Part 4. Has the Agreement improved development and support for the profession?



Key findings

The Teacher Induction Scheme (TIS) has successfully addressed the significant weaknesses in previous induction and support arrangements identified by the McCrone Committee. It is well-regarded by those involved and has been particularly successful in reducing the length of the probation period, increasing training and development opportunities for probationers and increasing entry to the system from university to probation.

The quality and variety of CPD available to teachers have improved under the Agreement, and teachers are generally positive about the benefits of the additional 35 hours per annum.

In this section, we consider the Agreement's impact on probation and CPD.

The TIS has successfully addressed the weaknesses in previous induction and support arrangements

TIS

77. The McCrone Committee considered the existing arrangements for probationer teachers as '...little short of scandalous'.²⁵ Difficulties in securing full-time, permanent employment meant multiple, often discontinuous placements for probationers were common. The effects of this were:

- a lengthy probationary period
- variable, uncoordinated support for probationers
- an increasingly high drop-out rate among probationary teachers.²⁶

78. The Committee felt that 'improving the training and support available to teachers should both improve the quality of teaching and learning and increase the overall

cost-effectiveness of our education system'.²⁷ They recommended a one-year placement for probationers.

79. The Agreement introduced the TIS, which comprised:

- a guaranteed one-year training post to all publicly funded students graduating with a teaching qualification from a Scottish Higher Education Institution
- probation to be completed in one year, compared to the two years' equivalent teaching experience required previously
- a maximum class commitment time of 0.7 FTE, with 0.3 FTE set aside for professional development
- an experienced teacher to support each probationer (the Scottish Executive funds 0.1 FTE for this purpose).

25 *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, 2000.*

26 *Economic Scoping Study of Children's Services Labour Markets in Scotland, DTZ Pleda for Scottish Executive, 2002.*

27 *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, 2000.*

Exhibit 11

Percentage of people graduating with a teaching qualification who enter teaching pre and post-Agreement *

The number of students graduating with teaching qualifications in Scotland and entering teaching has increased since the introduction of the TIS in 2002.



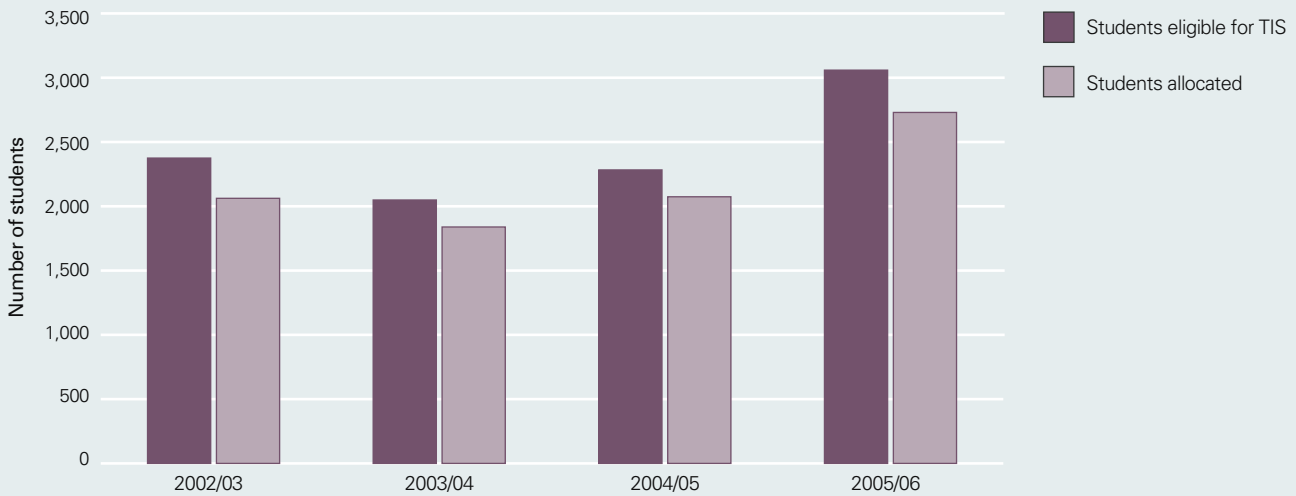
Note: *1989-1997 figures are based on those teaching by December following graduation. 2002-2005 figures are based on the June following graduation.

Source: *A Teaching Profession for the 21st Century*, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, General Teaching Council for Scotland

Exhibit 12

Number of students entering the TIS*

The vast majority of students eligible for the TIS enter the scheme.



Note: *The allocation figures are based on the September allocation to local authorities.

Source: General Teaching Council for Scotland

80. The TIS is one of the most successful elements of the Agreement. Of the head teachers surveyed, 88 per cent think the TIS is working well. Equally, 88 per cent of the teachers who have experienced the scheme feel it was valuable in preparing them for being a teacher, and 64 per cent feel it was very valuable.

81. Prior to the Agreement, achieving full registration could take longer than two years, due to the difficulties in securing continuous employment. This period was largely unstructured with little continuous training. Reducing probation to one year, coupled with the guaranteed placement, has allowed probationer teachers to achieve full registration much more quickly.

82. The Agreement also set aside formalised time in probationers' timetables for professional development activities (0.3 FTE of their timetable). This has given probationers the opportunity to undertake relevant training (which was largely unavailable under the previous system) to further develop their skills as teachers. Ninety per cent of teachers who have experienced the TIS think that the formal mentoring and support provided by their school was very or fairly adequate; 68 per cent feel it was very adequate.²⁸ Almost all head teachers surveyed (90 per cent) think that this aspect of the scheme is working well.

83. The new arrangements have also improved entry rates from university into probation. The McCrone Committee identified that, between

1989 and 1997, only an average of 71 per cent of students leaving a Scottish university with a teaching qualification in June were teaching in Scotland by the December following graduation (Exhibit 11).²⁹ This means that almost one in three were not using their teaching qualification in Scotland.

84. Since the introduction of the TIS, an average of 88 per cent³⁰ of students leaving a Scottish university with a teaching qualification in June (and who were eligible for the TIS)³¹ were teaching in Scotland by the following June between 2002 and 2005. This is an increase of 17 per cent on the 1989-1997 period.

85. Overall, 8,705 newly qualified teachers have entered the TIS since its introduction, out of 9,766 eligible (Exhibit 12). This equates to an average entry rate of 89 per cent. The retention rate is 98 per cent.³²

86. Evidence is only now beginning to emerge on retention from probation into teaching. Fears were expressed by some local authorities in the first year of the scheme that the year following probation would see newly fully qualified teachers unable to find permanent work due to the need to accommodate the next cohort of TIS entrants. Research in 2005 by the General Teaching Council for Scotland among those who completed their induction year in 2005, found that almost 95 per cent of respondents were now teaching in Scotland, of which 70 per cent were in full-time permanent posts.³³ The lack of data on this area from the pre-TIS period, however,

means that no comparisons can be made with the previous arrangements.

87. The TIS has had limited influence on recruitment to rural authorities. Historically, many rural authorities in Scotland have faced difficulties in recruiting teachers, reflecting geography and the availability of employment for partners and affordable housing. The TIS gives priority to the location preferences of probationers over the needs of local authorities and since few probationers express a preference to be placed in rural areas, vacancies in secondary schools in rural areas are not always filled.

88. Schemes to address the problems faced by rural areas are being introduced:

- The Scottish Executive introduced a Preference Waiver Scheme in 2004, allowing student teachers to opt to be allocated anywhere in Scotland for an additional £6,000 salary. Twenty-three students were allocated in this way in 2004/05, 72 in 2005/06 and 270 in 2006/07.³⁴
- A number of universities are beginning to offer part-time or distance initial teaching education, allowing student teachers in rural areas to achieve a teaching qualification while remaining close to home.

89. These schemes are still relatively small scale and, although the early signs are positive, it is too soon to fully assess their benefits.

28 The scale used in this question was: Very adequate, Fairly adequate, Neither, Fairly inadequate, Very inadequate.

29 *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers*, 2000. This figure is calculated from the number of students with a known destination, not the total who graduated (the research was unable to identify the destination of every student graduating in its reference period).

30 General Teaching Council for Scotland data provided to Audit Scotland.

31 Students who pay full fees are not eligible for the TIS.

32 General Teaching Council for Scotland data provided to Audit Scotland.

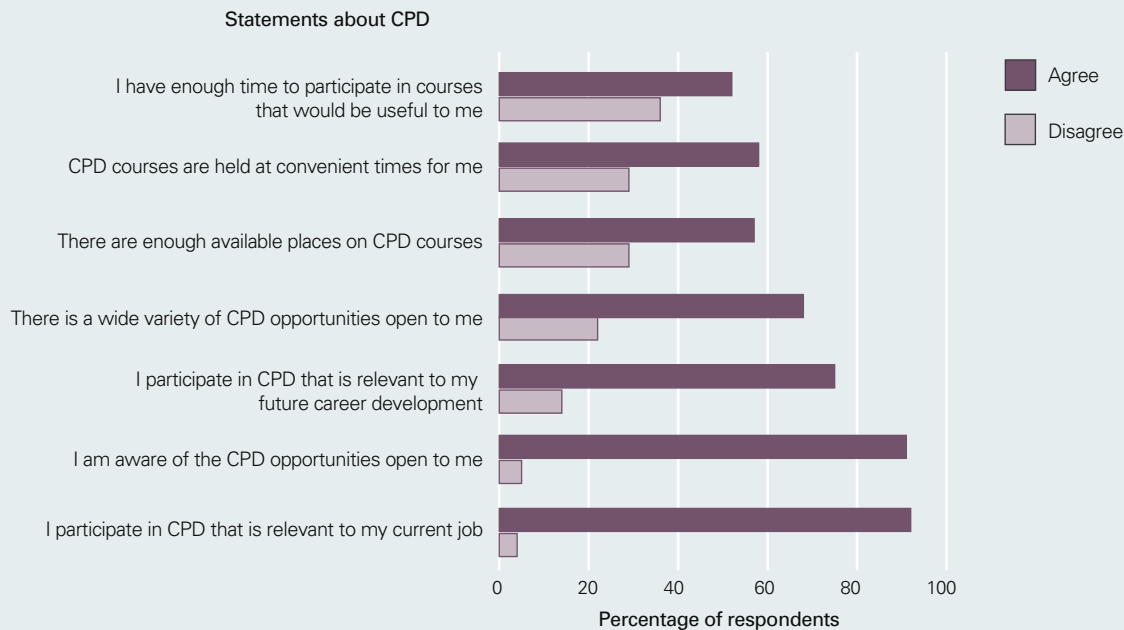
33 *Employment Prospects for Newly Qualified Teachers*, General Teaching Council for Scotland, 2005.

34 Scottish Executive allocation data provided to Audit Scotland (2006/07 figure is indicative).

Exhibit 13

Teachers' views on CPD

Teachers are generally positive about all aspects of CPD.



Source: Audit Scotland School Staff Survey, 2005

Has this aspect of the Agreement delivered value for money?

90. The investment in this area has helped to ensure a seamless transition from university to teaching. The scheme is well-regarded by teaching professionals and has improved both entry and retention rates. The investment in this area has clearly been targeted effectively and delivered value for money.

Recommendations

- The General Teaching Council for Scotland should continue to work with the Scottish Executive to embed and improve data collection and monitoring systems to record and evaluate the employment experiences of newly fully-qualified teachers in their first post-probation year.
- The Scottish Executive should continue to ensure that the recommendations made by the Review Group in *The Review*

of Initial Teacher Education Stage 2 to Teacher Education Institutions and local authorities are being implemented. These relate to widening modes of delivery and working more effectively with each other.

The quality and variety of CPD has improved under the Agreement

CPD

91. Prior to the Agreement, teachers undertook five days per year of CPD activities. The McCrone Committee found that CPD was primarily regarded as courses that took place on in-service days or during class time. The quality and relevancy of these courses was variable.³⁵

92. The Committee felt that CPD was of central importance in the continuous improvement of both the delivery and experience of education in Scotland. They felt that the five designated days were '...inadequate to provide the amount and quality of CPD required'.³⁶

93. The Agreement highlighted the importance of CPD and the resulting responsibilities of both local authorities and individual teachers, and introduced the following new arrangements:

- Teachers should maintain their professional expertise through an agreed programme of continuing professional development.
- All teachers are obliged to undertake an additional contractual 35 hours of CPD maximum each year.
- Every teacher will have an annual CPD plan agreed with her/his immediate manager, and every teacher will be required to maintain an individual CPD record.

94. Our evidence indicates that the additional 35-hour maximum CPD has been put in place across Scotland. Of those teachers interviewed in our survey, 93 per cent reported that they have a CPD plan and 96 per cent an individual CPD record.

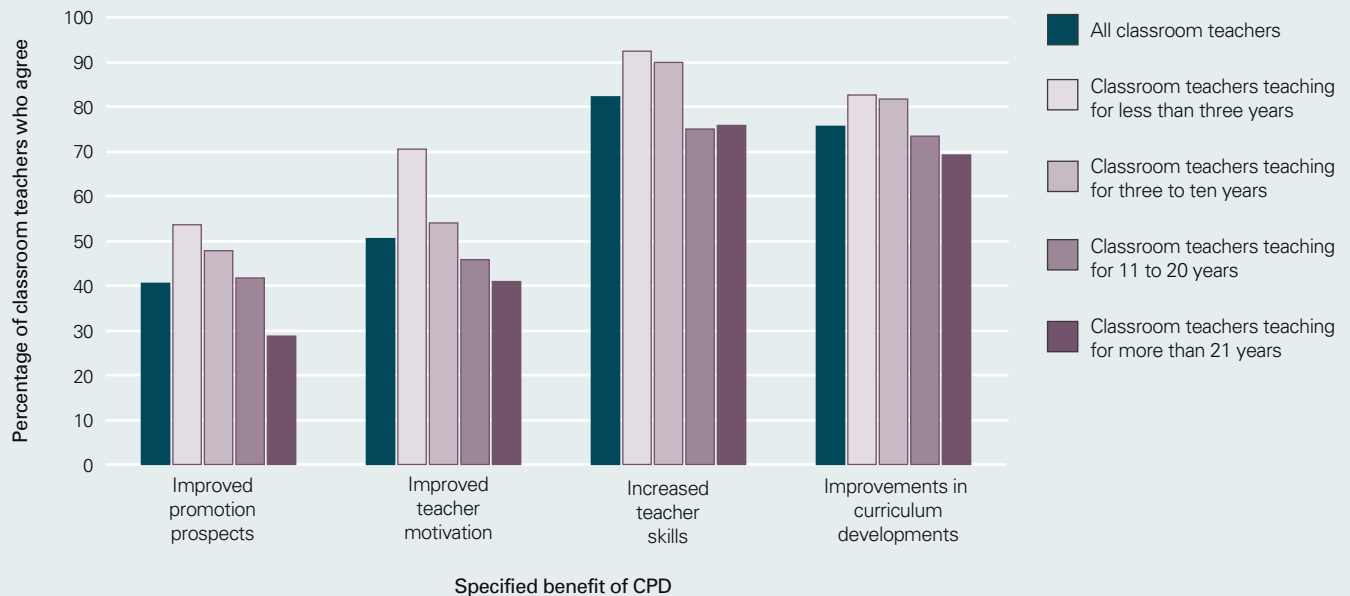
³⁵ *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, 2000.*

³⁶ *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, 2000.*

Exhibit 14

Teachers' views on benefits of CPD, by length of service

Those who have taught for less than three years are more positive towards the benefits of CPD than others.



Source: Audit Scotland School Staff Survey, 2005

95. There is evidence that the new arrangements have improved the quality and availability of CPD. Local authorities have, for example, developed and implemented comprehensive policies on CPD, appointed CPD coordinators and increased the use of ICT to deliver courses and spread good practice,³⁷ all of which has had a positive impact on the provision of CPD.

96. The views of teachers surveyed would seem to reflect this. They view the changes to CPD arrangements as having a positive impact. Of the teachers interviewed, 69 per cent agree that there are a wide variety of CPD opportunities open to them and 92 per cent agree that they participate in CPD that is relevant to their job. Sixty-six per cent feel that the amount of CPD in which they participate is about right. However, teachers do express some concerns about the amount of time they have to participate in courses and the convenience of the times at which courses are held (Exhibit 13).

97. The teachers we surveyed are generally positive about the benefits of the additional CPD (Exhibit 14). Eighty-three per cent feel that CPD increases teacher skills and 75 per cent feel that it improves curriculum development. Only half (51 per cent), however, feel that it improves teacher motivation.

98. There is a noticeable difference in attitude by length of time in teaching. Those who have been teaching less than three years are markedly more positive towards the new arrangements and the benefits arising from them, than those who have been in teaching longer (Exhibit 14).

99. While teachers are positive about the benefits of the additional CPD time, it is difficult to fully assess educational benefits and value for money as few local authorities have put in place effective monitoring and evaluation schemes. Opportunities exist to learn here from other professions where CPD is an integral part of career development (eg, law, medicine, accountancy).

Has this aspect of the Agreement delivered value for money?

100. The early evidence is that it has met its strategic objectives. However, the extent to which value for money has been achieved can only be properly assessed once the impact of enhanced CPD arrangements on the quality of teaching and learning can be measured.

Recommendations

- Effective monitoring and evaluation schemes must be put in place by local authorities to assess the value of the enhanced investment in CPD on teaching and learning.
- The Scottish Executive and others,³⁸ should explore models used in other professions to evaluate the impact of CPD and disseminate good practice, perhaps by commissioning the National CPD Team to undertake research of this kind.

³⁷ *Continuing Professional Development*, Teachers' Agreement Communications Team, 2004.

³⁸ The term 'others' is used throughout the recommendations and refers to the Scottish Executive in conjunction with other parties to the Agreement.

Part 5. How has the Agreement affected career and management structures?



Key findings

Broadly speaking, the new career structure has been positive for the primary sector, but has proved more complex and challenging in the secondary sector.

Additional management restructuring is also taking place in most local authorities, with a variety of approaches being implemented. It is too early to make any judgements on the impact of this.

The new Chartered Teacher Scheme has not yet had the expected impact on the career structure for classroom teachers. Uptake of the scheme has been slow, although it is likely to increase in the future. Given the additional costs associated with the employment of chartered teachers, there is a need to ensure these staff are used to best effect.

In this section we consider the Agreement's impact on career and management structures, examining the new career structure, management restructuring and the status of chartered teacher.

The Agreement introduced a simplified career structure

101. The McCrone Committee felt there were a number of problems with the existing career structure. In the secondary sector, the structure was too hierarchical, lacked an appropriate system of rewards and was not flexible enough to cope with change. In the primary sector, the absence of principal teachers and assistant principal teachers raised important questions about management capacity. The committee also expressed concern that there were too few opportunities for advancement for any teachers who wanted to remain in the classroom rather than seek management posts.

102. The committee put forward a four-tier career structure designed to address these problems. This was, in large part, adopted in the Agreement ([Exhibit 15](#)).

103. The new career structure introduced a number of changes:

- A new chartered teacher grade was introduced, to be achieved by qualification.
- The posts of assistant head teacher, assistant principal teacher and senior teacher were removed. As [Exhibit 15](#) illustrates, teachers holding these posts were accommodated into the new structure in the following ways – senior teachers and assistant principal teachers into the classroom teacher tier or the principal teacher tier; and assistant head teachers into the deputy head tier.
- A national job-sizing exercise was undertaken to place the holders of promoted posts (head teacher, deputy, principal teacher) on to the new salary scales introduced under the Agreement.
- 104.** The job-sizing exercise was designed to assess the teaching and management responsibilities of each promoted post-holder to place them on the appropriate point on the relevant pay scale. A national toolkit was devised and the SNCT

Exhibit 15

The pre-McCrone career structure and new career structure introduced as part of the Agreement

The Agreement introduced a simplified career structure.

Previous primary career structure	Previous secondary career structure	Primary and secondary – new career structure	
Class teacher probationer	Class teacher probationer	Classroom teacher	Probationer
Class teacher unpromoted	Class teacher unpromoted		Maingrade
Senior teacher	Senior teacher (see paragraph 102)	Principal teacher	Chartered teacher
	Assistant principal teacher (see paragraph 102)		
	Principal teacher		
Assistant head teacher	Assistant head teacher	Deputy head teacher	
Deputy head teacher	Deputy head teacher		
Head teacher	Head teacher	Head teacher	

Source: Audit Scotland, based on Section 4 (Career Structure) of *A Teaching Profession for the 21st Century, The Report of the Committee of the Inquiry into Professional Conditions of Service for Teachers, 2000*

agreed the process and timetable for implementation. All local authorities completed the job-sizing exercise by August 2003 and removed the posts of assistant principal teacher, senior teacher, and assistant head teacher.

105. As the Agreement introduced significant changes to the teachers' career structure, almost all local authorities have used the process of introducing the new career structure as an opportunity to carry out additional management restructuring. This is to phase-in a reduction in the number of middle managers, mainly at principal teacher level in secondary schools – often as part of a move towards faculty structures in which principal teachers are given management and curriculum responsibility for a group of subjects rather than, as traditionally, one subject.

106. The speed and direction of this additional restructuring varies widely. Both across and within local authorities there are a variety of approaches to:

- the extent to which faculties are being implemented
- the subject groupings used
- the ways in which teaching staff and management are involved in decision-making.³⁹

The new career structure has been broadly positive for the primary sector, but its introduction has proved more challenging in the secondary sector. Additional management restructuring is creating further challenges

107. The new career structure (and the implementation of additional management restructuring) has

affected primary and secondary schools differently, and teachers' mixed reactions reflect this.

108. In primary schools, the introduction of the new principal teacher post has had a positive impact. It has addressed the issues of limited management capacity and career opportunities in some schools by filling the gap between the head teacher and senior or unpromoted teacher.⁴⁰

109. In contrast, removing assistant principal teachers, senior teachers and assistant head teachers has combined with the fall in middle manager numbers due to management restructuring to reduce significantly the number of promoted posts in secondary schools. As a result of these changes, TAC Team research identified a 20 per cent reduction in the ratio of promoted posts to FTE between 2001 and 2005 in a sample of secondary schools across Scotland.⁴¹

110. This has inevitably reduced the number of opportunities available for career progression. Although the move to faculty structures has opened up possibilities for staff to take responsibility for specific pieces of work, eg an aspect of curriculum development, these are often temporary roles and are not reflected within the new career structure.

111. The differing impact of changes in primary and secondary schools is reflected in the attitudes of primary and secondary teachers. Primary teachers, head teachers and deputies are significantly more positive towards the career opportunities afforded by the new career structure than their secondary counterparts ([Exhibit 16](#)).

112. Two potential issues arising from job-sizing and the reduction in promoted posts which affect both primary and secondary schools, are, perceived anomalies in pay and management responsibility among staff, and potential disincentives for career progression.

113. Job-sizing was a national exercise using agreed criteria. However, the process meant that there would be differing outcomes among similar grades of promoted post due to the type of responsibilities held and the resultant salary conservation or increase. This has led to the perception among some teaching staff that anomalies have arisen. Only 26 per cent of head teachers and deputy head teachers feel the new career structure has addressed anomalies in pay versus management responsibility.

114. A further consequence is the potential creation of disincentives in some cases for career progression. Those whose posts were job-sized at a grade lower than their current salary retained their existing salary, as did many of those whose posts were no longer part of the new career structure (assistant principal teachers, senior teachers, assistant head teachers). It is therefore possible for a teacher whose salary is conserved to earn a similar amount or more than a promoted post which has been job-sized. This may result in reduced motivation for teachers on conserved salaries to apply for promoted posts. However, there is currently no hard evidence available of application numbers to promoted posts pre-job-sizing with which to compare the current situation.

39 *Evolving Career Structure in the Secondary Sector*, Teachers' Agreement Communications Team, 2006.

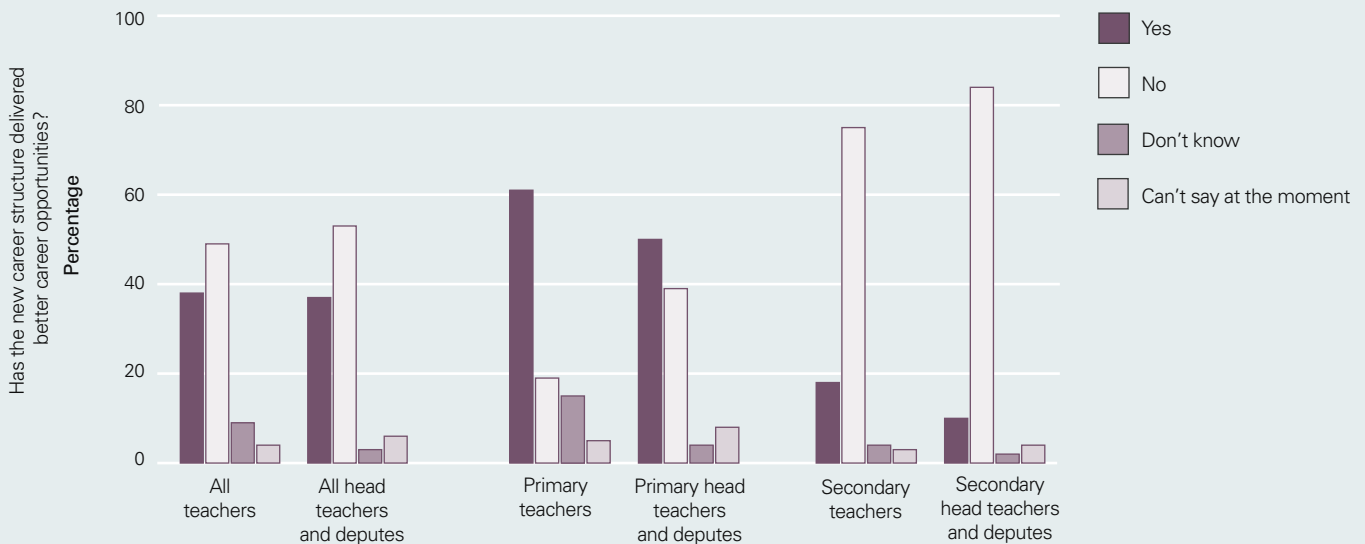
40 *Primary School Issues: The Role of the Principal Teacher*, Teachers' Agreement Communications Team, 2005.

41 *Evolving Career Structure in the Secondary Sector*, Teachers' Agreement Communications Team, 2006.

Exhibit 16

School staff views on whether the new career structure has delivered better career opportunities

Primary teachers and head teachers are more likely to feel the new career structure has delivered better opportunities for career advancement than their secondary colleagues.



Source: Audit Scotland School Staff Survey 2005

115. The removal of assistant principal teachers, senior teachers and assistant head teachers from the new career structure has created a challenge for local authorities and schools in how best to utilise the skills and experience of these staff. Many of these former post-holders are on conserved salaries, and some will have been relieved of some or all management responsibilities. The challenge for local authorities is to work in partnership with these individuals to ensure their skills and experience are maximised if the ongoing conserved salary costs are to realise any benefits. Some schools and local authorities are using the introduction of faculty structures to involve these staff in specific aspects of school development, but there is currently little evidence available to assess the success of these approaches.

Has this aspect of the Agreement delivered value for money?

116. Until further evidence is available, the extent to which the new career and management structures are

delivering value for money remains unproven. However, unless action is taken to secure best value from those teachers on conserved salaries, value for money may not be delivered.

Recommendations

- The Scottish Executive, and others, should undertake research to examine whether the reduction in applications for head teacher posts is a widespread problem and the potential reasons behind this.
- The Scottish Executive, and others, should evaluate the impact of the new structures.

To date, take-up of the Chartered Teacher Scheme has been slow, but looks likely to increase over time

117. The Chartered Teacher Scheme was seen by the McCrone Committee as an important new career pathway within the teaching profession. Its introduction as part of the Agreement was one of the most

significant changes to the career structure for teachers for many decades.

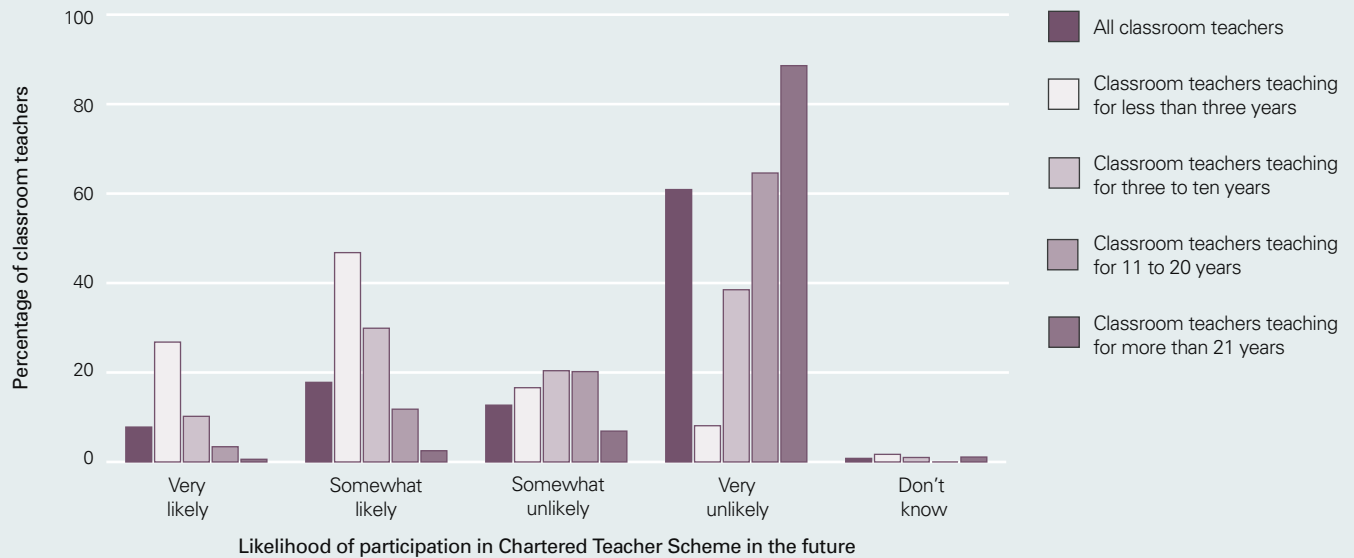
118. Before the scheme, there was no career path for teachers who wished to remain in the classroom. The only means by which teachers could progress was to move into a management post. As the McCrone Committee found, 'the prospects for teachers who did not want to seek management responsibility were very poor. They quickly became pegged at the maximum salary for an unpromoted teacher, possibly for as long as thirty years'.⁴²

119. The new status of chartered teacher was intended to recognise and reward the excellence of those teachers who wished to remain in the classroom while continuing to encourage professional development. The status is open to main grade teachers at the top of their salary scale, is achieved by qualification and is self-financed. Qualification can be gained in either of two ways – by accredited prior learning

Exhibit 17

Likelihood of participation in the Chartered Teacher Scheme

Teachers who have been teaching for less than three years are the most likely to participate in the scheme.



Source: Audit Scotland School Staff Survey, 2005

where teachers submit evidence of experience; or by successfully completing a maximum of 12 modules (which will take around six years). An accredited prior learning claim costs £1,200, and modules cost on average £600 each. For each two modules gained, participants receive a salary increment, up to a total of £6,492. Chartered teachers undertake the same duties as their main grade counterparts, although the McCrone Committee also saw them acting as important role models for junior colleagues.

Impact of the scheme

120. The new Chartered Teacher Scheme has not yet had the expected impact on the career structure for classroom teachers. Scottish Executive indicated that 30,000 teachers were eligible to participate when the scheme was introduced in 2003,⁴³ of whom around 6,000 initially indicated an interest.⁴⁴ By February 2006, 2,800 teachers were participating

in the scheme and 201 teachers had achieved full chartered teacher status, the vast majority of these by the accreditation route.⁴⁵

121. Newer entrants to the profession appear much more willing to participate in the scheme than those who have been in the profession longer (Exhibit 17). Seventy-four per cent of those who have been teaching for less than three years say it is likely that they will participate in the scheme in the future, compared with 32 per cent of classroom teachers overall. While it is unlikely that all of these teachers will participate, the positive attitude among newer entrants means that uptake looks set to rise as these teachers become eligible to participate.

122. The main reasons that classroom teachers are likely to participate in the scheme are to further their career opportunities (39 per cent), further develop their teaching skills (39 per cent) and for the additional salary (38 per cent).

123. In contrast, teachers who have been in the profession longer are significantly less likely to participate in the scheme in the future. The percentage of those likely to take part in the scheme drops from 40 per cent among those who have been teaching for three to ten years, to 15 per cent among those in the profession between 11-20 years, down to three per cent of those who have been teaching for 21 years or more. The main reasons given by those teachers unlikely to participate are that it is too expensive (31 per cent) and time consuming (24 per cent).

124. If a future increase in uptake of the scheme is fuelled primarily by newer entrants to the profession, as would seem to be indicated from the evidence, there is a danger of a two-tier system emerging among classroom teachers. There is a need to ensure that high-quality teaching practice continues to be expected, and recognised among all teachers, regardless of chartered teacher status.

⁴³ *Chartered Teacher Status: Frequently Asked Questions*, Scottish Executive, 2003.

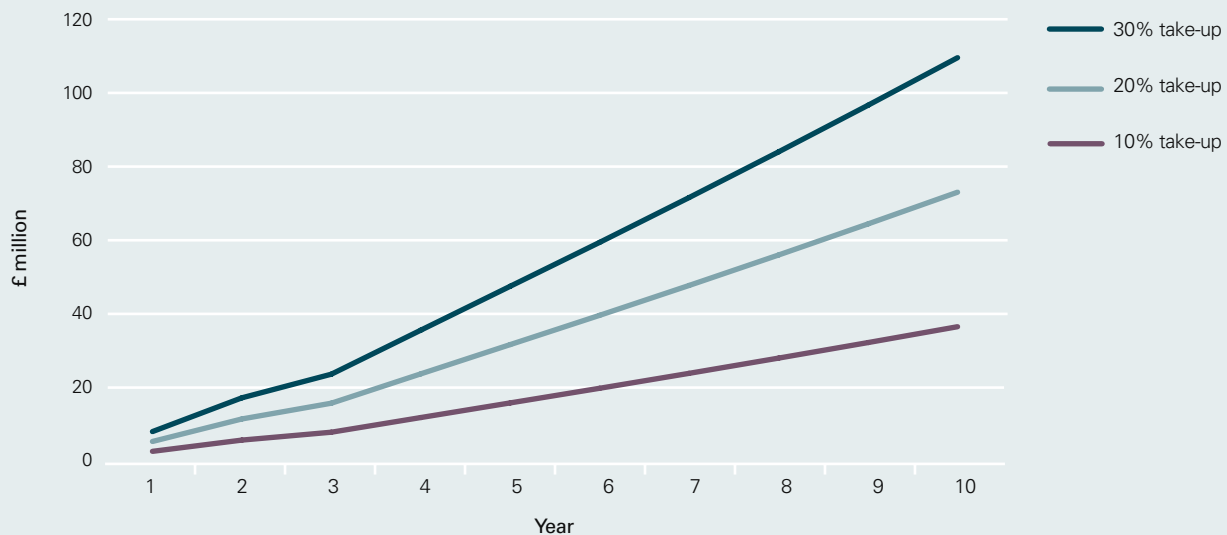
⁴⁴ *Chartered Teachers Programme*, news release, Scottish Executive, 2003.

⁴⁵ General Teaching Council for Scotland data to Audit Scotland.

Exhibit 18

Potential additional cumulative costs of the Chartered Teacher Scheme*

If uptake of the scheme increases, the costs will be significant.



Note: *Based on a salary increment each year for the first six years up to the maximum of £6,492 and based on 30,000 teachers being eligible for the scheme. Assumes two per cent inflation and does not take into account the enhanced pension rights accrued by chartered teachers.

Source: Audit Scotland

125. Upon successful completion of the scheme, teachers will receive additional pay of £6,492 per annum. If the 32 per cent who have expressed an interest in the scheme are replicated nationwide and successfully complete it, the cumulative cost after ten years for the additional salary increases would be approximately £110 million (Exhibit 18).

126. Funding will be needed to cover increased uptake of the Chartered Teacher Scheme. Currently, modelling and budgeting are made difficult by the fact that there is little reliable evidence of potential numbers participating in the scheme.

127. With increased uptake and costs, the need to explore the potential for chartered teachers to provide added value in areas such as curriculum development and spreading of best practice becomes more urgent.

Has this aspect of the Agreement delivered value for money?

128. The limited number of chartered teachers makes assessment of their role difficult at the moment. Therefore, it will not be possible to demonstrate that the investment in this area has provided value for money until their numbers increase and the issue of securing added-value has been addressed.

Recommendations

- The Scottish Executive, and others, should issue guidance on the roles that chartered teachers should play within and across schools.
- The Scottish Executive should assess likely take-up of the Chartered Teacher Scheme and make appropriate financial provision.
- The Scottish Executive, and others, along with the General Teaching Council for Scotland should ensure the Chartered Teacher Scheme is actively targeted towards those who have been teaching longer than ten years.

Part 6. A challenging agenda still remains



129. This final section of the report identifies the next steps that the Scottish Executive, teacher organisations, COSLA and local authorities need to take to ensure that:

- the performance of local authorities in modernising education services (including improvements in learning) linked to the Agreement can be assessed
- lessons learned to date are effectively shared and best practice is more consistently applied
- the early indications of success identified within this report are sustained.

130. These changes may be subject to audit and inspection by HMIE and Audit Scotland to assess the longer-term impact and value for money of the additional £2.15 billion invested in education services as part of the Agreement.

Performance measurement arrangements need to be strengthened to demonstrate that the Agreement has delivered value for money and is improving education in Scotland

131. The Scottish Executive, in partnership with other parties to the Agreement, needs to identify a comprehensive set of outcome measures against which the ongoing cost and impact of the Agreement can be assessed. Measures could cover areas such as:

- impact on educational attainment
- improvements in classroom practice
- the quality of educational leadership
- workload and skill-mix
- workforce morale
- recruitment and retention within the profession.

132. Benchmark data on performance by local authorities before and after implementation of the Agreement is not routinely available. Consequently, while HMIE and others such as the TAC Team and SNCT have evaluated the extent to which the Agreement has achieved its objectives to date, they have been unable to assess the progress made by each local authority.

Recommendation

- The Scottish Executive, and others, should agree a comprehensive set of performance measures linked to the Agreement for use by all local authorities to benchmark their performance and progress.

Sustaining the early progress may prove challenging and more needs to be done to ensure the consistent adoption of good practice

133. The early evidence suggests that good progress is being made, although the long-term impact of the Agreement remains unproven. But good practice is not always being widely adopted. For example, there is scope to increase the benefit from chartered teachers and for local authorities to secure best value from the expertise of teachers on conserved salaries.

134. The sustainability of the Agreement at the end of the formal implementation period in 2006 also needs to be closely monitored. This is particularly relevant to areas of the Agreement, such as CPD, that have been funded through specific grants on a non-recurrent basis. Medium to long-term financial planning will be required by local authorities to ensure a continuing ability to deliver the range of CPD activities which have been introduced as part of the Agreement.

135. Newer entrants to the profession are significantly more positive about several key aspects of the Agreement than those who have been employed as teachers for longer periods of time. These differences in views, and their impact on teaching and learning, will need to be monitored to avoid the risk that a two-tier system emerges between more recent and longer-serving members of the profession.

136. Looking further ahead, there is a risk that the requirements of the efficient government agenda, coupled with the risk of reductions in local government financial settlements, will create a more challenging environment for local authorities to sustain the positive momentum identified in this report. Some local authorities already argue that funding difficulties will make it hard for them to achieve the final reduction in class contact time by August 2006. The Scottish Executive and local authorities will have to continue to work in partnership to sustain progress made so far.

Recommendations

- The Scottish Executive, and others, should ensure that recognised best practice is more consistently applied across the education sector.
- The Scottish Executive should prepare periodic reports on the progress made in sustaining the momentum shown to date under the Agreement.

Part 7. Summary of recommendations



Part 2. Cost and implementation

- The Scottish Executive should agree in advance financial monitoring processes for any future large-scale public service change programmes which carry significant levels of expenditure.
- The Scottish Executive should set clear outcome measures and timescales within any future large-scale public service change programme.

Part 3. Terms and conditions of service

RCCT

- The Scottish Executive needs to work with local authorities to monitor the size of the supply pool in Scotland to inform workforce planning.
- The Scottish Executive and local authorities need to develop strategies to attract registered teachers back into schools to increase the size of the supply pool.

Administrative and support staff

- Local authorities should address the perception of limited career progression held by support staff and monitor recruitment and retention.
- SNCT should monitor the impact of support staff on classroom teachers and ensure that they are effectively integrated within the school environment.

Part 4. Development and support

TIS

- The General Teaching Council for Scotland should work with the Scottish Executive to embed and improve data collection and monitoring systems to record and evaluate the employment experiences of newly fully-qualified teachers in their first post-probation year.
- The Scottish Executive should continue to ensure that the recommendations made by the Review Group in *The Review of*

Initial Teacher Education Stage 2 to Teacher Education Institutions and local authorities are being implemented. These relate to widening modes of delivery and working more effectively with each other.

CPD

- Effective monitoring and evaluation schemes must be put in place by local authorities to assess the value of the enhanced investment in CPD on teaching and learning.
- The Scottish Executive, and others,⁴⁶ should explore models used in other professions to evaluate the impact of CPD and disseminate good practice, perhaps by commissioning the National CPD Team to undertake research of this kind.

46 The term 'others' refers to the Scottish Executive in conjunction with other parties to the Agreement.

Part 5. Career and management structures

New Career Structure

- The Scottish Executive, and others, should undertake research to examine whether the reduction in applications for head teacher posts is a widespread problem and the potential reasons behind this.
- The Scottish Executive, and others, should evaluate the impact of the new structures.

Chartered Teacher Scheme

- The Scottish Executive, and others, should issue guidance on the roles that chartered teachers should play within and across schools.
- The Scottish Executive should assess likely take-up of the Chartered Teacher Scheme and make appropriate financial provision.
- The Scottish Executive and others, along with the General Teaching Council for Scotland, should ensure the Chartered Teacher Scheme is actively targeted towards those who have been teaching longer than ten years.

Part 6: A challenging agenda

- The Scottish Executive, and others, should agree a comprehensive set of performance measures linked to the Agreement for use by all local authorities to benchmark their performance and progress.
- The Scottish Executive, and others, should ensure that recognised best practice is more consistently applied across the education sector.
- The Scottish Executive should prepare periodic reports on the progress made in sustaining the momentum shown to date under the Agreement.

Appendix 1. External advisory group to the study

Name	Position	Organisation
Dougie Atkinson	Teachers' Agreement Communications Team Coordinator	Teachers' Agreement Communications Team (TAC Team)
Douglas Cairns	Inspector	Her Majesty's Inspectorate of Education (HMIE)
Ken Cunningham	Principal of Hillhead Learning Community	Hillhead Learning Community/Head Teachers' Association of Scotland
Judith Gillespie	Development Manager	Scottish Parent Teacher Council
Terry Gray/Jane Kennedy	Policy Manager	Convention of Scottish Local Authorities (COSLA)
Aileen Kennedy	Lecturer	University of Strathclyde – Department of Educational and Professional Studies
Irene Matier/ Gordon Smith	Vice-President/President	Association of Head Teachers and Deputes in Scotland
Drew Morrice	Assistant Secretary	The Educational Institute of Scotland (EIS)
Christine Pollock	Depute Director of Education	North Lanarkshire Council/Association of Directors of Education Scotland (ADES)

Appendix 2. 2003 Joint Statement of Funding COSLA/Scottish Executive

Cost assumptions	2003/04 £m	2004/05 £m	2005/06 £m
Teachers' pay	360.2	439.5	495.8
RCCT	0	28.3	42.5
Support staff	50	50	50
Probationers	21.2	18.7	22.3
CPD	15	15	15
Job-sizing	10	15	15
Chartered Teacher Scheme	0	2.9	5.1
Total	456.4	569.4	645.7

Funding	2003/04 £m	2004/05 £m	2005/06 £m
Spending Round, 2000	405	405	405
Spending Round, 2002	11	108	163
Local government contribution	25.5	25.5	25.5
Total	441.5	538.5	593.5

Funding gap	2003/04 £m	2004/05 £m	2005/06 £m
Additional funding gap identified*	15	31	52
Remove effect of falling school rolls	0	-15	-22
Balance	15	16	30
Funding being made available**	25	20	35

Note: *Figures have been rounded by Scottish Executive/COSLA. **These figures reflect the amount of additional funding to be made available at that time to support the final phase of implementation of the Agreement.

Source: Letter from Cathy Jamieson MSP, Minister for Education and Young People, to Pat Watters, President, COSLA, 25 March 2003

A mid-term report

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