

Revised Devolved School Management Scheme

Report by Director of Education and Lifelong Learning

Scottish Borders Council

25 August 2022

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval of a revised Scheme of Devolved School Management (DSM) and agreement that the revised Scheme be implemented and published in academic year 2022/23.**
- 1.2 All Local Authorities are required to review and update their Scheme of Devolved School Management by August 2022.
- 1.3 Headteachers and officers have worked collaboratively to draft a Scheme which is transparent and which empowers Headteachers to manage resources flexibly and responsively. This is provided in Appendix 1.

2 RECOMMENDATIONS

2.1 I recommend that the Committee:-

- a) Approve the revised DSM Scheme for implementation from August 2022.**
- b) Agree to the publication and submission to Scottish Government of the revised Scheme.**
- c) Agree that a review cycle of 3 years be implemented and any changes be reported to the Education Executive Committee.**
- d) Approves virements as detailed in Appendix 2.**

3 BACKGROUND

- 3.1 Devolved School Management (DSM) was introduced in 1993 to enhance and improve the management of resources at school level. The DSM guidance was reviewed nationally in 2006, and again in 2012, taking account of the changing economic and financial climate for both Local Authorities and Scottish Government. In June 2017 the Scottish Government consulted on changes to DSM as part of the wider “Fair Funding to Achieve Excellence and Equity in Education” consultation.
- 3.2 DSM refers to financial, personnel and material resource devolved to Early Years, Primary and Secondary establishments.
- 3.3 New [Devolved School Management \(DSM\) Guidelines](#) were produced and published jointly by the Scottish Government and COSLA at the end of June 2019. It was intended that each Local Authority developed *and* published their new DSM Scheme by April 2020 – however, as a result of Covid-19, this timescale was initially revised to April 2021 and then to August 2022.
- 3.4 The updated DSM principles, agreed by the Fair Funding Reference Group, and building on the foundations and principles of the 2012 guidance are:
- Subsidiary and empowerment
 - Collaboration
 - Accountability and Responsibility
 - Clarity and Equity
- 3.5 These principles reflect the National Improvement Framework aims of excellence through raising attainment and achieving equity. The principles also fully endorse those proposed in the Fair Funding consultation:
- (i) Support Excellence and Equity – ensuring every child and young person has the same opportunity to succeed;
 - (ii) Be fair – placing the needs of all children and young people at the centre;
 - (iii) Be simple, transparent and predictable – ensuring that the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty;
 - (iv) Deliver value for money – ensuring that every penny spent is used effectively.
- 3.6 The guidance provided a framework to allow Local Authorities to populate a standard format, which will introduce a level of consistency of presentation and enable benchmarking. They also clarified what is expected and recommended in a local scheme and provided practical examples from Local Authorities.
- 3.7 The proposed new Scheme has been produced by Headteacher/Officer Working Groups. Consultation/communication sessions were carried out during February and March 2022, with Headteachers and relevant staff

discussing the methodology and the proposed way forward of the new Scheme.

- 3.8 A report was presented to the Local Teachers Negotiating Committee on 21 May 2022 detailing the proposed way forward of the new Scheme.

4 Proposed Scheme of Devolved School Management (DSM)

- 4.1 The revised DSM Scheme strongly supports an agenda of Headteacher empowerment, enabling Headteachers to make decisions on spending within the delegated budget and to design a staffing structure which best supports the school's curriculum and leadership requirements.
- 4.2 The Scheme ensures Headteachers are provided with clear information about which areas of expenditure are delegated to them, and which areas are not, with specific guidance for accounting policies with regard to areas such as budget setting, budget virement, carry forward and underspends is provided.
- 4.3 There is scope for combining budgets between schools, clusters, and other public partners (subject to any legal or contractual restraints).
- 4.4 The DSM Scheme included the criteria and methodology used to create staffing models and other resource allocations. Where formulae have been applied, these are included.
- 4.5 The DSM Scheme will be published to an external facing (SBC) website providing access to public stakeholders.
- 4.6 Training will be in place to support understanding and enhance confidence in DSM.
- 4.7 Locally determined virement criteria, including any maximum percentage, financial limits or excluded budget areas will be included within the published DSM scheme.
- 4.8 Headteachers are given the ability to carry forward budget underspends and overspends from one financial year to another within agreed parameters.
- 4.9 The Scheme identifies which budget areas are to be devolved and which are not. In principle, Headteachers will be given maximum flexibility over their budgets, however, there are areas of expenditure that are generally not considered suitable for devolution as they do not support Headteachers to improve the quality of provision.
- 4.10 The areas which will be devolved to Headteachers are:
- a) Teaching staff, including management positions and support for learning teachers (secondary);
 - b) Management time for Early Learning and Childcare provisions;

- c) SJC staff – pupil support assistant (primary) and technicians (secondary);
 - d) Staff training costs – teaching and support staff;
 - e) Supply costs for short term absence;
 - f) Staff travel and subsistence;
 - g) Costs for curricular materials and resources;
 - h) Costs for replacement and repair of i-Pads;
 - i) Exam invigilator costs (secondary).
- 4.11 There is scope to devolve further resource to schools as and when reviews of service elements allow. This may include, for example, youth work, additional support needs or early learning resources.
- 4.12 Formula for the allocation of each devolved element will provide a fair and transparent allocation of resource, resulting in an “envelope” which schools can use flexibly for salaries, time and material resource to meet the local context and needs.
- 4.13 Areas not devolved include areas outside the influence of a Headteacher; that are too bureaucratic; have unacceptable levels of risk; which benefit from economies of scale; which require professional expertise or which are complex by their nature.
- 4.14 In agreement with Headteachers, the following specific areas are Non-devolved areas;
- a) Budgets linked to building maintenance and running costs such as rent payments, and capital expenditure, property insurance and non-domestic rates as well as Local Authority contracted work on managing the school estate, including grounds maintenance, window cleaning, hygiene supplies, waste collection, janitorial and cleaning staff, consequential costs from burglary or vandalism and utility costs;
 - b) Corporate support function costs, for example Finance, HR and Legal services;
 - c) Education support services including Education Psychology, Quality Improvement, ASN provision and Music Instructors;
 - d) Grants and allowance such as School clothing grants, Education Maintenance Allowances, Home to school pupil transport, School Meals, Parent Council expenditure and premature retirement costs;
 - e) Long term sickness and maternity leave payments for teaching staff;
 - f) Supply cover for Trade Union duties;
 - g) Payment for exam fees to SQA.
- 4.15 Internal audit included a review of processes to enable to new DSM framework to be put in place, including consultation, communication, training and ongoing support as part of their 2022/23 financial governance assurance work.
- 4.16 The resultant report concluded that “on this audit Internal Audit are able to provide substantial assurance. Largely satisfactory risk, control, and

governance systems are in place. The audit fieldwork was undertaken between May and June 2022, and we have made no recommendations.”

- 4.17 Budget statements reflecting the new allocations have been prepared and Headteachers have planned resources for the academic year 2022/23 on the basis of the new Scheme.
- 4.18 Virements are required to reallocate budgets between services within Education as part of the realignment to support the revised DSM Scheme and these can be found in Appendix 2.

5 IMPLICATIONS

5.1 Financial

The new Scheme reflects an increase of £6,138m in funding devolved to schools and includes additional allocation of £4,866m for increased staffing, partly funded through Scottish Government funding to increase teacher numbers. As reflected in Appendix 2, the new DSM Scheme is funded within the overall Education budget, including the permanent delivery of existing financial plan savings for 2022/23.

5.2 Risk and Mitigations

There is a risk that if the Scheme does not provide the resource needed to deliver services, however, the cycle of review on a 3 yearly basis will support mitigation against this. Furthermore, the risk of the Scheme being unsuitable is mitigated through the extensive involvement of Headteachers in the process of creating the Scheme and the wider consultation undertaken in doing so.

5.3 Integrated Impact Assessment

The Integrated Impact Assessment will be published with the Scheme.

5.4 Sustainable Development Goals

The DSM Scheme contributes to Sustainable Development Goal 4 – Good Education through ensuring appropriate provision of resource.

5.5 Climate Change

There is no direct impact on Climate Change as a result of the recommendations in this report.

5.6 Rural Proofing

There are no implications on rural proofing as a result of this revision to the Scheme.

5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no implications for the Scheme of Administration or Scheme of Delegation arising from the proposals contained in the report.

6 CONSULTATION

- 6.1 The Acting Chief Financial Officer, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received will be reflected verbally at Council.

Approved by

Lesley Munro

Signed

Director – Education & Lifelong Learning

Author(s)

Name	Designation and Contact Number
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Background Papers: Appendix 1 – Draft Devolved School Management Scheme

Appendix 2 – Virement

Previous Minute Reference: N/A

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Lesley Munro can also give information on other language translations as well as providing additional copies.

Contact us at Council Headquarters, Newtown St Boswells TD6 0SA.