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Devolved School Management Scheme

April 2022

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1 Introduction

Devolved School Management (DSM) was introduced nationally in 1993 to enhance and improve the management of resources at school level. The DSM guidance was reviewed in 2006, and again in 2012, taking account of the changing economic and financial climate for both Local Authorities and the 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.

The updated DSM guidelines, published in summer 2019, seek to build and improve on the DSM Guidelines of 2012 and, critically, reflect and integrate with the Education Reform Programme and priorities emerging from the Scottish Government and COSLA Education Reform Joint Agreement of June 2018. These Guidelines can be found here <https://www.gov.scot/policies/schools/devolved-school-management/>

They have been prepared through collaboration and consultation with a wide range of stakeholders and will help Local Authorities review and develop their own DSM schemes with the aim of encouraging participation from stakeholders including, schools and parents. Collaboration is essential to a successful local DSM scheme and this is captured within the Joint Agreement and Headteachers' Charter to which these guidelines align and support.

The Perth & Kinross Council (PKC) DSM Scheme was originally approved in 1998, although DSM Guidelines have been updated and issued to headteachers on an annual basis. The scheme was required to be reviewed to ensure it reflects the 2019 Guidelines and this document is the result of that process.

DSM is already a key policy of Perth & Kinross Council and operates within the Council's overarching Scheme of Delegation, Financial Regulations and Standing Orders. Through this process decision-making powers and budgetary responsibilities are devolved to Headteachers to allow them to respond to local needs more effectively. DSM is intrinsically linked to the school improvement planning process and enables schools to plan for improvement and raise educational attainment.

1.1 Principles of Devolved School Management

The updated DSM principles, agreed by the Fair Funding Reference Group and building on and enhancing the foundations and principles of the 2012 guidance, are:

- Subsidiarity and Empowerment
- Collaboration
- Accountability and Responsibility
- Clarity and Equity

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:

- **Support excellence and equity** - ensuring every child and young person has the same opportunity to succeed
- **Be fair** - placing the needs of all children and young people at the centre
- **Be simple, transparent and predictable** – ensuring the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty
- **Deliver value for money** – ensuring that every penny spent is used effectively

1.2 Education Context within Perth & Kinross Council

Perth & Kinross Council is responsible for the education provision of approximately 20,200 children and young people. This is delivered through 11 secondary schools, 70 primary schools, 1 special school and a number of intensive support provisions for children and young people with additional support needs. Early Learning and Childcare (ELC) is delivered through 5 Early Childhood Centres as well as 44 ELC settings within primary / special schools.

1.3 Role of Parent Council

Parental involvement is welcomed and recognised as being essential in developing a strong partnership between parents and schools. Research has shown that children do better if their parents are involved in their education. Whatever that sphere of involvement maybe it is greatly appreciated and welcomed.

Parent Councils help parents and carers to become more actively and effectively involved in their children's learning. They were established under the Scottish Schools (Parental Involvement) Act 2006 in recognition of the important role that parents can play, both in their own children's learning, and in the life of a school.

The role of the Parent Council is to:

- support the school in its work with children and young people;
- represent the views of parents and carers to Headteacher, Education Authority and Education Scotland;
- encourage links between the school, parents and carers, children and young people, pre-school groups and the wider community: and
- report on the Council's activities to the members of the Parent Forum.

Parent Councils play an important part in providing opportunities for parents to get involved in ways that suit them and to support their school in getting the best education for their children and young people. Under the Council's DSM Scheme, Headteachers will be required to update their Parent Council on their school budget throughout the school year.

2 Areas of Expenditure to be Devolved/Non-Devolved

Whilst Headteachers are given maximum flexibility over their budgets, there are areas of expenditure that are generally not considered suitable for devolution. The reasons for this may include, but are not limited to:

- areas outside the influence of a headteacher (Non-Domestic Rates);
- areas that have unacceptable levels of risk (Energy costs).

2.1 Non devolved budgets

The scheme is committed to devolving as much of the DSM budget as possible to headteachers, however in line with the updated 2019 guidelines, there are a number of expenditure areas, some of which are listed below, that are not considered suitable for devolution:

- Capital expenditure
- PPP/PFI costs
- Central support services e.g. English as an additional language support, hearing, visually impaired services, educational psychology services
- School meals
- Clothing and footwear grants
- Expenditure supported by central government specific grants, where it is explicit that the purpose is to support council wide initiatives
- Home-to-school transport
- Premature retirement costs
- Centrally funded support for children and young people who require significant additional support
- Education Maintenance Allowances: and
- Council contracted work on managing the Learning Estate where applicable

2.2 Devolved budgets

- Staff costs – teaching and support
- Staff training and review
- Per Capita (books, education materials etc)
- Outwith Per Capita (purchase and maintenance of educational equipment)
- Cleaning materials: and
- Travel and subsistence

2.3 Budget reporting

At the start of each financial year headteachers will be provided with their total school devolved budget. There will be explanatory notes which accompany the devolved budget which will assist Headteachers in understanding how their devolved budget has been calculated. To assist headteachers in managing their school devolved budget all schools have access to the Corporate Financial system with support provided by School Finance Officers.

3 Other Information on Devolved School Management

3.1 Financial Regulations

Financial Regulations are an integral part of the stewardship of Council Funds. Adhering to the Financial Regulations ensures that all financial transactions of the Council are conducted in a manner which demonstrates openness, integrity and transparency. They form a significant part of the governance of the Council.

The Perth & Kinross Council DSM Scheme will continue to provide a transparent, fair and equitable allocation of resources to schools. Allocation formulae have been designed with relative stability in mind, providing a financial envelope in advance for headteachers to effectively plan their spend for the forthcoming academic year. This will promote the efficient and effective operation of each school, and application of resources.

Local authorities must secure best value in accordance with section 1 of the Local Government Scotland Act 2003. <http://www.legislation.gov.uk/asp/2003/1/contents>

Headteachers will comply with the following regulations:

- Financial Regulations V6.0 - FINAL 07.12.18
- Procurement Regulations

3.2 Best Value Principles

The Council's DSM Scheme demonstrates best value by following the characteristics of:

- commitment and leadership;
- sound governance at a strategic and operational level;
- accountability;
- sound management of resources;
- responsiveness and consultation;
- use of review and options appraisal;
- a contribution to sustainable development; and
- equal opportunities arrangements and joint working.

Headteachers are expected to deploy the school's budget in accordance with best value principles. School expenditure should align with the School Improvement Plan supporting both Council and national priorities and frameworks. In considering the above headteachers should also take into account any relevant Scottish Negotiating Committee for Teachers (SNCT) and Joint Negotiating Committee for Teaching Staff (JNCT) agreements. Value for money is a key aspect of Best Value and all decisions regarding resource use at school level should provide this. This should be managed within the Council's procurement strategy.

3.3 Local Authority Commitment to Devolved School Management

This guidance was developed by a collaborative short life DSM Review group with representation from sector Headteachers, Business Mangers, Council Officers, Tayside Regional Improvement Collaborative and other stakeholders, to ensure the guidance works for all.

Our DSM Scheme provides a transparent, fair and equitable allocation of resources to schools. These formulae, predominantly linked to school roll, have been designed with relative stability in mind, allowing for headteachers to effectively plan spend ahead. Draft school session staffing allocations are shared with headteachers in February each year along with their roll projections.

3.4 School Expenditure Within Wider Strategic Planning

Decisions are made closest to the learner wherever possible and are delegated to headteachers and schools. Headteachers are accountable and responsible for the use of financial resources within their school following consultation with pupils, parents, staff and the wider community, and in line with their School Improvement Plan which reflects local authority strategic plans and priorities, and the National Improvement Framework. Strong and distributive leadership is necessary to establish effective systems to support partnership working with pupils, parents, staff and the wider community to determine how best to utilise resource to deliver on local and school level plans. Schools are empowered to make decisions that affect outcomes, while being part of a collaborative learning community and the Local Authority. Decisions about education spend are made in a collegiate and transparent way, paying due regard to wider responsibilities.

How Good Is Our School (HGIOS 1.05)

https://education.gov.scot/improvement/Documents/Frameworks_SelfEvaluation/FRWK2_NIHeditHGIOS/FRWK2_HGIOS4.pdf provides a national expectation of how headteachers will utilise resource to support improvement. School performance in the management of resources to promote equity will be evaluated based on the quality indicator and school leadership teams should be familiar with the expectations within the quality indicator.

The Quality Indicator has two themes:

- Management of finance for learning
- Management of resources and environment for learning

3.5 Scottish Negotiating Committee for Teachers and Local Negotiating Committees for Teachers Agreements

The DSM Scheme has been developed in consultation with Perth & Kinross Council's JNCT for Teachers and JCC for Local Government employees and is consistent with the Council's HR policies and procedures and national SNCT and local JNCT agreements.

<http://www.snct.org.uk/>

3.6 Publication availability

The DSM Scheme will be subject to 3-yearly review involving stakeholders and a peer Local Authority if appropriate and will be published following Committee Endorsement of the scheme. A summary document will be published on the Perth & Kinross Council Website with a link provided on all school websites to ensure all stakeholders can easily access the scheme.

Training

3.7 Available training

Training on the devolved arrangements contained in this scheme is essential to headteachers and school staff. This is to ensure that individuals have a clear understanding of the context of the scheme, its aims and objectives and how DSM can be used to meet the needs of staff and learners at a local level.

Training will take various forms such as DSM training sessions, induction training (financial regulations and the Council's policies and procedures relating to contracts and procurement), job shadowing, presentations at staff meetings and one to one meetings with relevant staff will also be offered where appropriate.

Consultation, Engagement and Transparency

3.8 Consultation and Engagement

At school level, as at local authority level, empowerment is fundamental to all decision making. This means that headteachers consult on appropriate matters, for example staffing, DSM, resources. It is expected this will be through Staff Consultative Committee within schools. It includes arrangements for how major financial decisions, including spending linked to Pupil Equity Fund, are compliant and meet procurement and other statutory arrangements.

3.9 Transparency

The DSM Scheme has been written in plain English in order to maximise engagement and support transparency. Full details of Perth & Kinross Council's Revenue budget is published on the Council web site at www.pkc.gov.uk. This includes details of the budget allocated to the Education and Children's Services and subsequently to education and schools.

Headteachers will also discuss the school budget and their spending proposals with their Parent Council and encourage meaningful discussion.

Collaboration

3.10 Local Priorities

The Local Priorities to be supported and addressed by schools through their application of the Devolved School Management Scheme are set out in:

- School Improvement Plans
- The Raising Attainment Strategy
- The National Improvement Framework Plan
- Education and Children’s Services’ Business Management Improvement Plan
- Perth & Kinross Council Corporate Plan
- Perth & Kinross Council Community Planning Partnership: and Local Outcome Improvement Plan

Local Authority decisions about education spending are expected to be made in a collegiate and transparent way, paying due regard to their wider responsibilities, including Getting it Right for Every Child (GIRFEC) and the role of Local Authorities as Corporate Parents.

Staffing

3.11 Staffing Structures

- The Early Years Staffing Standard can be found in Appendix 1.
- The Primary Staffing Standard can be found in Appendix 2*.
- The Secondary Staffing Standard can be found in Appendix 3*.
- The All Through Staffing Standard can be found in Appendix 4*.
- The Special School Staffing Standard can be found in Appendix 5.
- The Integrated Support Provision Staffing Standard can be found in Appendix 6.

*These will be implemented from the 2022/23 School Session.

3.12 Legislative and Contractual Requirements

The legislative context of the Scheme forms part of the wider framework of documentation which relates to local government and schools e.g. Financial Regulation, Standing Orders, Employment legislation and policies and procedures including SNCT and JNCT agreements. It is important that headteachers adhere to the legislation and agreements.

3.13 Staff Resource

Headteachers will be given opportunities to participate in the development and review of recruitment and staffing approaches, both for their own school/s and for the Council. For information, on all staffing matters, headteachers must adhere to the appropriate legislation and Council, SNCT and JNCT agreements and guidelines.

Professional Support

3.14 Professional Support teams, functions and transparency

In carrying out their statutory function’s schools are supported and challenged by a range of professional support teams. These include:

- Education Officers

- Finance Officers
- Corporate Employee and Customer Services
- Procurement Officers
- Legal Officers
- Property and Risk Officers: and
- Facilities Management Team

Accounting

3.15 Budget underspend / overspend

Under the DSM Scheme, schools may carry forward over or under spends at the end of each financial year. The carry forward is calculated on devolved budgets as at 31 March and determined by the balances recorded in the financial ledger.

The maximum under-spend that may be carried forward is set at 2.5% of the devolved budget where the Council agrees to the funds being carried forward.

Headteachers may wish to use this carry forward to save towards a longer term planned objective such as curricular development, large scale purchase of a particular resource etc.

Any overspend is carried forward in full and no maximum threshold is applied. Headteachers are advised to avoid material overspends and to ensure that resources are managed effectively.

Planned overspends must be approved in writing by the Head of Business and Resources, prior to the expenditure being committed.

3.16 Virement

Headteachers are permitted to divert monies between delegated budgets. Such budget transfers are known as virements. The Finance Support Team will request details of such realignments and amend budgets to reflect anticipated spending.

3.17 Review, methodology and stakeholders

Any changes in financial governance made by Council will be reflected through a clearly communicated refresh of this guidance following the Council budget-setting meeting in February/March each year. A more formal and thorough evaluation and review will be undertaken on a 3-yearly basis with a key element of this formal review being a peer review with a neighbouring Local Authority.

Appendices

[Appendix 1 Early Years Staffing Standard](#)

[Appendix 2 Primary Staffing Standard](#)

[Appendix 3 Secondary Staffing Standard](#)

[Appendix 4 All Through Staffing Standard](#)

[Appendix 5 Special School Staffing Standard](#)

[Appendix 6 Additional Support Staffing Standard](#)

[Appendix 7 Devolved School Management Formula Calculations](#)

