

Report

Report to:	Education Resources Committee
Date of Meeting:	8 February 2022
Report by:	Executive Director (Education Resources)

Subject:	Devolved School Management Scheme (DSM)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Committee on the new Devolved School Management Scheme 2022 due to be implemented in schools from 1 April 2022

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) to approve the Devolved School Management Scheme for schools as set out in Appendix 1 for implementation from 1 April 2022 in line with the national framework and guidance.

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 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 the DSM as part of the wider "*Fair Funding to Achieve Excellence and Equity in Education*" consultation.
- 3.2. 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.
- 3.3. The Framework and Guidelines have been devised to help local authorities develop their own Devolved School Management (DSM) schemes. The new Guidelines aim to encourage participation from local authority wider teams, schools and parents on budgets, spending plans and governance arrangements.
- 3.4. They have been prepared through collaboration and consultation with a wide range of stakeholders. Collaboration is key to a successful local DSM scheme, and this is captured within the Joint Agreement and Headteachers' Charter to which these guidelines align and support.
- 3.5. The expected and recommended outcomes of the new guidelines that local authorities are expected to follow and implement, across nine broad areas have been followed and form the basis of the new scheme.

4. Principles of Devolved School Management

4.1. 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

4.2. 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

5. DSM 2022 Process of Review

5.1. Following the release of the *Devolved School Management Framework Document – for Local Authorities* and the *Devolved School Management Guidelines* in June 2019; a review of the current scheme was undertaken to consider the delivery of a new DSM scheme for schools for implementation commencing August 2021. This work was started in October 2019 with an original implementation date nationally of April 2021.

5.2. The review comprised a secondary and primary group, focusing on each of the individual sectors. Each group was led by the Head of Education (Senior Phase) and included Head Teachers; Finance Manager; HR Adviser and Trade Union representatives.

5.3. Each group had specific Terms of Reference for review and the key aims and objectives of the groups were:-

- ◆ To deliver a new, flexible and transparent DSM scheme for schools by August 2021 that empowers schools and Head Teachers to make decisions that most affect their children and young people's outcomes while being part of a collaborative learning community and is fully inclusive of stakeholders
- ◆ To advise of the necessary budgetary changes required to the pupil roll allocation (PRA) and staffing methodologies and budgets subject to the outcomes of the review
- ◆ To deliver relevant training to all relevant stakeholders ensuring engagement on the new DSM scheme
- ◆ To provide support to schools to manage change as a result of project outcomes

5.4. Work of the groups was suspended in March 2020, following school closures due to the pandemic and was re-established in April 2021. The implementation of the revised DSM for schools was rescheduled nationally to April 2022 given the pandemic as the staff resources and focus in schools were being directed primarily at online learning and learning recovery.

- 5.5. The outcomes and findings from the groups have informed this new DSM scheme.

6. Review Outcomes

- 6.1. The outcomes of the review for the new DSM in schools have resulted in a more update to date and current model of how schools operate and reflect actual activities and processes undertaken. It seeks to enhance the process of transparency and engagement with stakeholders including young people, parents and carers, staff and the wider learning community as well as local communities within the context of the Community Planning Partnership, Council Plan and Education Resources' Resource Plan.
- 6.2. The scheme specifies the specific arrangements for the allocation of school budgets, by sector, via the pupil roll allocation (PRA) and identifies the controllable and non-controllable elements of school budgets that Head Teachers are responsible for.
- 6.3. It outlines the methodology for the allocation of staffing in schools, by sector, and this includes both teaching staff, management support, learning community staffing as well as school support staffing for both mainstream and ASN sectors.
- 6.4. The scheme outlines the arrangement for cover in schools, including all locally approved agreements, and outlines the process for staffing resource and Head Teacher involvement and engagement in these processes.
- 6.5. All of these processes were reviewed as part of the groupwork and, where possible, efficiencies were made to processes to streamline budget allocations, without any financial impact to schools and to provide more concise, meaningful and consolidated allocations, removing historic adjustments through a more rationalised model and approach.
- 6.6. The scheme is flexible and reflects the current arrangements around learning recovery and additionality in schools to support young people and outlines the link to participatory budgeting for schools via the DSM.
- 6.7. The scheme sets out roles and responsibilities for the relevant groups in relation to resource management and outlines key dates for relevant financial activities in schools. School fund processes are signposted within the scheme, whilst not directly part of the DSM governance arrangements.
- 6.8. It is transparent in the allocation of resources and outlines processes to follow in relation to consultation on decision making for budgets as well as the scheme administration for publication and review. It sets out how Head Teachers will consult with these stakeholder groups and links to established arrangements for engagement described in the Parental Involvement Strategy.
- 6.9. The scheme sets out professional support available to schools and processes for identification of training needs. The updated scheme sets out the governance arrangements within which schools operate including financial regulations, standing orders and all national regulatory and statutory obligations and links local priorities to be supported and addressed through their application of the DSM.
- 6.10. The new DSM scheme is a much more organic and fluid document and will be updated as appropriate reflecting changes to process and funding impacting on the allocation of resources in schools. The scheme will be subject to a 3-yearly review and this

process will involve peer local authorities or via the Regional Improvement Collaborative and ADES.

- 6.11. The scheme also sets out publication requirements, enhancing transparency, and following approval, will be made available on the Council's website and a link will be provided on all school websites.

7. Employee Implications

- 7.1. There are no employee implications associated with this report.

8. Financial Implications

- 8.1. The financial implications of the DSM scheme and the updates to the scheme are all contained within existing budgets and there are no additional financial implications of the new scheme.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

10. Other Implications

- 10.1. The revised DSM scheme introduces improved and enhanced governance arrangements for the management of resources in schools; empowering stakeholders through transparent process and enhanced engagement, whilst minimising and controlling financial risk.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 11.2. Consultation has been undertaken with the relevant stakeholders as part of the review process as outlined in section 5 above, and further parental engagement will be undertaken over the coming months via parental groups and Parent Councils.

Tony McDaid
Executive Director (Education Resources)

13 January 2022

Link(s) to Council Values/Objectives/Ambitions

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Devolved School Management Framework Document – for Local Authorities - Published Scottish Government June 2019
- ◆ Devolved School Management Guidelines – Published Scottish Government June 2019
- ◆ Devolved School Management Scheme 2015 – Approved Education Committee 2 June 2015 and Executive Committee 24 June 2015
- ◆ Devolved Management Scheme Terms of Reference August 2019 – Primary and Secondary groups
- ◆ DSM Implementation Workplan 2019

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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