

# Devolved School Management

## Guidelines

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*A summarised report based on the considerations and outputs of the national DSM Steering Group*

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( 2012 )

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- Association of Directors of Education (ADES) in particular the ADES Resources Committee
- ADES/COSLA DSM Working Group
- Association of Heads and Depute Heads Scotland (AHDS)
- COSLA Education, Children and Young People Executive Group
- Educational Institute of Scotland (EIS)
- Education Scotland
- Local Authority Directors of Finance
- School Leaders Scotland (SLS)
- Scottish Government
- Society of Local Authority Chief Executives (SOLACE)
- The Improvement Service (IS)
- The National Parent Forum Scotland (NPFS)

# **DEVOLVED SCHOOL MANAGEMENT (DSM) 2012 GUIDELINES**

## **1. Introduction**

This document sets out the new Devolved School Management (DSM) Guidelines along with background and contextual information. The DSM Guidelines were agreed unanimously by councils at the COSLA Convention in March, 2012 and by the Cabinet Secretary for Education and Lifelong Learning in June 2012. The guidelines were produced by a wide range of stakeholders as part of a consensual approach.

## **2. Background**

Education is a fundamental core service that is delivered locally under the strategic democratic leadership and accountability of councils. Nearly half of Scottish Council budgets are currently spent on school education, with a significant proportion of this expenditure funding the salary costs of teaching and support staff. To enhance and improve the management of resources at local (school) level, Devolved School Management (DSM) was introduced in 1993. This required councils to devolve 80% of school budgets to headteachers with the twin aims of improving local decision making and providing more flexibility to headteachers in responding to the needs of individual schools.

The 2006 DSM Guidelines issued by the Scottish Executive recommended that local authorities increase the level of devolved budgets to 90%. This advice reflected the principle that everything that could be devolved should be devolved, except for certain areas of expenditure that were not considered suitable for devolution. Since the issue of the DSM Guidelines, six years ago, there have been significant changes in the policy landscape in Scotland that impact on DSM. Moreover, there has been a considerable change in the economic and financial climate for local government and the wider public sector in Scotland.

In 2011 Michael Russell, Cabinet Secretary for Education and Lifelong Learning from the Scottish Government and Cllr Isabel Hutton, COSLA Spokesperson for Education, Children and Young People agreed that the 2006 DSM Guidelines should be reviewed and amended to take account of a much changed environment described in the following 'context' paragraphs, albeit with existing local democratic accountability and oversight of education services being maintained.

### **3. Updated DSM 2012 Guidelines: Key Contexts**

#### National Policies

There are a number of key national drivers for modernising DSM Guidelines. The implementation of the national reform of the school curriculum is well advanced. Curriculum for Excellence affords individual schools and groups of schools working together considerable autonomy in shaping a curriculum which best meets their circumstances. As such, an increase in curricular autonomy will require a greater and more consistent level of resource and management autonomy across Scotland's schools.

Since the establishment of Single Outcome Agreements (SOAs) there has been a growing recognition of the importance of an outcomes-based approach to planning, managing and evaluating public services. Schools have a key role in delivering improved outcomes for Scotland's children and young people. Therefore, planning and budget management at school level need to be increasingly aligned to that end.

DSM schemes in 2012 and beyond need to take account of the range of strategic policy frameworks that impact on children's services including 'The Early Years', 'Reaching Our Potential', 'Equally Well', 'Looked after Children and Young People: We can and must do better' and 'More Choices, More Chances'. These policy frameworks are underpinned by the 'Getting it right for every child' (GIRFEC) agenda. GIRFEC is not a policy framework but rather a programme for delivering more responsive and better integrated services, through significant culture and practice change.

The report of the Christie Commission published in June 2011 recommended that public services should be built around people and communities, achieve outcomes, prioritise prevention, improve performance and reduce costs. The report is of clear relevance to DSM and the direction of public services since the management of schools is crucial to the ambitions of local authorities and their community planning partners for children's services.

Community planning is currently the subject of a formal national review. Therefore, the revised DSM Guidelines are intended to be flexible to incorporate potential future changes for community planning.

#### Financial Climate

The revised DSM Guidelines have been considered in relation to the financial pressures that the public sector is experiencing and will continue to experience over the years ahead. In Scottish Councils there are around fifty thousand teachers (Full Time Equivalent) employed with approximately £5 billion spent on school education.

The DSM Guidelines take into account that the fact that many local authorities now provide a mixed economy of services which are procured and delivered on a strategic

shared service basis to create efficiencies and reduce costs. Given the challenging financial climate, it is likely that more services will be shared or procured on a council wide basis instead of being available as resources to be devolved at a local level.

#### **4. The DSM Steering Group**

A series of COSLA led senior officer meetings were held to take forward the review of Devolved School Management from December 2011 to February 2012. The group comprised senior officer representation from the Association of Directors of Education (ADES), School Leaders Scotland (SLS), Association of Heads and Depute Heads Scotland (AHDS), the National Parent Forum Scotland and the Scottish Government. Other key stakeholders were consulted outwith DSM Steering Group meetings. These included the Educational Institute of Scotland (EIS), Education Scotland, the Improvement Service and the Society of Local Authority Chief Executives (SOLACE).

The work of the DSM Steering Group was overseen at a political level by the COSLA Education, Children and Young People Executive Group and its sub-group the COSLA Education and Children's Services Public Sector Reform (PSR) Strategy Group.

#### **5. DSM Steering Group: Key Considerations**

After detailed consideration of the changing policy context, the DSM Steering Group agreed that while the 2006 Guidelines for DSM need to be updated to take account of significant policy, legislative and procedural changes that have occurred over the past six years, they nonetheless remain a source of valuable advice to local authorities and headteachers. Their key principles are no less relevant now than when they were first framed. The variable scope of current DSM schemes is, in significant measure, a reflection of the inconsistent application of the 2006 Guidelines across the country. However, it is apparent that those guidelines have supported the establishment in a number of councils of suitably empowering schemes which devolve significant levels of resource and functional responsibilities to schools.

The DSM Steering Group were of the view that in assessing the potential of DSM schemes, the percentage of budget devolved is less relevant in a modern context than the actual functions, controls and powers that are devolved to headteachers. It was felt that comparing specific percentages from council to council is problematic since we are not necessarily comparing 'like with like' due to different local circumstances e.g. varying levels of rurality or deprivation. It was therefore agreed that new guidelines should contain a clear statement on the principle of subsidiarity as well as references to Additional Support for Learning (ASL) and the new curriculum. It was also agreed that the guidelines for DSM should be regularly

reviewed at a local level e.g. every three years in terms of their implementation and at a national level within an appropriate timeframe.

The DSM Steering Group considered specific case studies from Angus, East Ayrshire and West Lothian Councils to inform discussions about wider organisational approaches to DSM and about more specific aspects such as parental involvement and the virement of budgets. The potential use of “pooled” budgets in different models of learning communities or school groupings was also discussed with reference to community planning arrangements for a more integrated approach to public service delivery. Given the ongoing national review of community planning, it was agreed that in developing new DSM Guidelines, it would be important to ensure a degree of flexibility to reflect future changes to the operation of community planning partnerships and the contributions of schools to these partnerships.

The DSM Steering Group is of the view that the revised guidelines are sufficiently flexible to support local variation and local circumstances. In carrying out this review exercise, the Steering Group has had regard to the outputs of previous discussions on DSM, and crucially to the continuing need for a DSM framework which recognises that local education services are accountable to elected members and other key stakeholders. The DSM 2012 Guidelines will have a statutory underpinning since the new guidelines, as was the case for the 2006 guidelines are linked to the **Standards in Scotland’s Schools (2000) etc Act**.

## 6. The Revised Devolved School Management (DSM) Guidelines

*The aims of the revised Devolved School Management Guidelines are to empower headteachers to meet local needs and deliver the best possible outcomes for young learners, in line with the objectives of Curriculum for Excellence, GIRFEC and the Early Years Framework. Moreover, they are intended to ensure that existing best practice in relation to the operation of DSM Schemes will become standard practice across the country, based on the core values of subsidiarity, openness, transparency and local accountability.*

The DSM Guidelines are based on nineteen principles that are grouped under the following four headings with a set of advisory notes outlined at the end of the document.

- **Subsidiarity and Empowerment;**
- **Partnership Working;**
- **Accountability and Responsibility; and**
- **Local Flexibility**

The new DSM Guidelines are also supported by a DSM Self-Evaluation toolkit which is intended to enable councils and schools to assess the 'fitness of purpose' of local DSM schemes. Its use will serve to raise awareness of the updated guidelines and of what is, in essence, a new national framework. This toolkit will allow elected members, chief executives, directors, headteachers, teaching staff and parents the opportunity to evaluate their local DSM scheme and related procedures.

As part of an evolving approach to DSM, the DSM Self-Evaluation toolkit is to be available as an initial version on the Improvement Service's website along with good practice case studies and weblinks to specific publications which promote other innovative approaches. Consideration may also be given to a proposed national workshop based event for the DSM Guidelines and the DSM Self-Evaluation toolkit.

## **7. Principles for Devolved School Management (DSM)**

The principles below should form the basis of local DSM schemes. The principles are grouped under headings which are reflected in the DSM Self-Evaluation toolkit. These principles are similar to some of those set out in the 2006 guidelines, which are still considered relevant to the operation and management of DSM schemes within local authority frameworks.

### Subsidiarity and Empowerment

- Devolved school management schemes should provide headteachers and other school staff with the autonomy and flexibility to make decisions at the appropriate level and to make the most effective use of resources which best suit local circumstances.
- Local and national leadership programmes linked to the Donaldson Review should be developed to foster an approach to DSM which encourages enterprising decision-making, with a focus on maximising outcomes for children and young people. Other professional and support staff should also have access to training to support the operation of more enabling and more comprehensive DSM schemes.
- Councils should continue to explore ways of increasing devolution of budgets and/or decision making where there are clear benefits for school communities.
- Local DSM arrangements should seek to support the delivery of the best possible outcomes for children and young people in line with the strategic direction and policies of the council and its community planning partners.

### Partnership Working

- Devolved school management should be informed by local priorities and issues to ensure it contributes towards shared agendas and improved outcomes. Devolved school management schemes should also enable stronger partnership working with other agencies and stakeholders in community planning partnerships and effective collaboration between education providers as part of learning communities where this adds value.
- Effective joint working involving chief officers, education directorates, headteachers and other school staff is an important element of a robust DSM Framework overseen by local elected members. Given the importance of multi-agency approaches to meeting the needs of children and young people, headteachers need to understand and take account of the corporate and wider community planning partnership arrangements in managing their schools and, therefore, devolved budgets.

- DSM Schemes need to ‘influence’ and be ‘influenced’ by a school’s collaboration with parents and with a range of other partners. This joint work with partners should be guided by agreed priorities framed in the School Improvement Plan, Education and Children’s Services Planning and the Community Plan.

#### Accountability and Responsibility

- Increased devolution of resources to schools brings increased management responsibilities and increased accountability. Headteachers have responsibility for these resources in line with the strategic direction of the council and its internal procedures. The management of council and school budgets should also operate within Best Value regimes and seek continuous improvement.
- Where appropriate and possible, the development of three year indicative budgeting horizons should be considered while recognising financial pressures and constraints.
- While headteachers should be given **maximum** flexibility over their budgets, there are some areas of expenditure that are generally not considered suitable for devolution. These are outlined in the Advisory Notes. The underlying principle should be that devolution should be meaningful and allow headteachers the flexibility needed to ensure that decisions that need to be made locally are made locally.
- Staffing strategies set by councils should be developed in ways that allow headteachers to manage their resources effectively and efficiently. Councils should work to facilitate headteacher discretion by being robust in providing support, such as sharing information on good practice, whilst challenging schools by ensuring that headteachers have applied rigorous analysis to their spending decisions as well as putting in place appropriate review and evaluation procedures.
- A quality education service needs support structures to raise attainment and deliver better outcomes for Scotland’s children. The design and operation of DSM schemes should take account, within the context of wider service/corporate budgets of the requirements for support structures and professional teams with quality management responsibilities.
- Councils should review local DSM Schemes every three years in terms of their implementation to ensure that they remain fit for purpose.

### Local Flexibility

The scope of devolved schemes should enable devolution to a local level of the resources needed to allow a headteacher to plan and make provision for services that require to be delivered at school level.

- Criteria for devolving resources to a local level will vary according to the characteristics of each council. However, key criteria will be based around school roll, deprivation and rurality factors. The criteria should be transparent and be 'owned' by the main stakeholders i.e. elected members, headteachers, teaching staff and parents.
- All decisions about resource use at school level should have regard to the actions that will best meet the needs of the school and its pupils and to inevitable judgements about what provides best value, drawing on corporate finance and procurement guidance.
- Councils should decide where appropriate and possible within the context of three year indicative budgets, what flexibility to allow for carry forwards, positive or negative, having due regard to a school's agreed improvement priorities. It will also be a matter for individual councils to agree the percentage limits to be applied to carry forward facilities.
- Three year indicative budgeting horizons, where appropriate and possible, should allow schools to manage their staffing over a period of years within a clearer distribution framework. Headteachers should be able to anticipate student roll movements in most circumstances, although there will be a need for flexibility to allow for unexpected changes.
- Local DSM schemes should clearly set out the council's policy on virement. They should encourage the responsible use of this facility with due regard to corporate guidance.

## 8. Advisory Notes for Devolved School Management

DSM must give headteachers and schools maximum flexibility. However, there are some areas of expenditure such as elements of additional support for learning (ASL) that cannot easily be broken down to school level as they would tend to bring unnecessary and unproductive bureaucracy were the funding to be devolved. In addition, there are other areas of expenditure that should not be devolved if a council needs to protect its schools from unacceptable levels of risk.

For the purposes of these updated guidelines the following areas of expenditure are generally not considered suitable for devolution in relation to the budget for schools:

- Capital expenditure, including all PPP/PFI costs;
- Central support services e.g. English as an additional language support, hearing, visually impaired services, educational psychology services;
- School meals;
- Bursaries, 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 whether from education (e.g. auxiliary support, specialist aids and appliances) or from other agencies (e.g. health services);
- Education Maintenance Allowances;
- Council contracted work on managing the School Estate where applicable;
- School security running costs.

*(\*Although the spending areas outlined above tend to be exempt from DSM arrangements, councils could devolve part or all of the sums involved if this is sensible and practical based on their own local circumstances. This list is not exhaustive).*