

ANGUS COUNCIL

EDUCATION COMMITTEE – 2 JUNE 2011

DEVOLVED SCHOOL MANAGEMENT: REVIEW OF COUNCIL SCHEME

REPORT BY DIRECTOR OF EDUCATION

ABSTRACT

This report outlines recent amendments to the Angus Council Scheme of Devolved School Management and updates the Committee on a national review of Devolved School Management.

1. RECOMMENDATION

It is recommended that the Education Committee:

- (i) note the changes to the Scheme of Devolved School Management (DSM) outlined in this report;
- (ii) endorse the approach of continuously reviewing that scheme in consultation with school-based staff and
- (iii) note that the recent national review is likely to lead to a detailed scrutiny of DSM schemes across Scotland.

2. BACKGROUND

- 2.1 Devolved School Management was introduced by Tayside Regional Council in April 1994 and was adopted by Angus Council at reorganisation. The number of schools participating in the scheme when initially introduced has increased on a phased basis. Since the commencement of the financial year 1998/99, all Angus schools have been operating their own devolved budgets.
- 2.2 At its meeting on 4 March 1997 the Education Committee agreed the first amendment to the scheme. Further amendments to the scheme were approved by the Committee at its meetings of 29 April 1999, 6 March 2001, 13 January 2005, 23 February 2006 and 22 February 2007.
- 2.3 The general underlying principles, set out in Scottish Government guidelines published in 2006, underpin the Angus Scheme. Those principles and the aims and objectives originally set have remained relevant over time and changing circumstances. However, it is important to continue to review the Scheme as schools become more proficient in managing their budgets and in order to take account of changing circumstances. It is fundamentally important to ensure that there is transparency in preparing and devolving budgets and that clear accountability procedures govern the way in which devolved budgets are managed.

3. NATIONAL POSITION

- 3.1 A review of how devolved budgets are managed across schools and groups of schools was announced by the Education Secretary in November 2011. The review was chaired by David Cameron, former president of the Association of Directors of Education in Scotland (ADES), with a remit to produce new guidance by March 2011 on all aspects of devolved school management.
- 3.2 The review exercise was to be an inclusive and consultative review of devolved school management which would involve a small reference group of key stakeholders. Its aim was to consider what level of education funding is devolved to Head Teachers, how much flexibility and autonomy are available to Head Teachers, and how devolved school management arrangements might work in clusters of schools.
- 3.3 Although the review report has not yet been published, the following preview of its likely recommendations was provided in a Scottish Government news release on 18 March 2011:
 - the current guidance on devolved school management should be revised to set out the roles and responsibilities of schools, local authorities and national government.

- the guidance should then make sure that schools have more consistent autonomy to manage the budgets that are central to fulfilling their role
 - schools should not have to deal with budgets over which they cannot exercise control.
 - school budgets should be expressed as a cash sum
 - schools should receive three year budgets aligned to school improvement plans.
 - schools should move towards budgets that are shared at cluster levels
 - clusters should also be able to determine their own management structure
 - a national formula should be created to capture the most effective practice in distributing money to schools
- 3.4 The timescales for this Review have been exceptionally tight in advance of the Scottish Parliament elections. There are understandable concerns held by COSLA and ADES that these timescales have not allowed for a sufficiently thorough and evidence-based exploration of current achievements and challenges in the operation of DSM schemes.
- 3.5 There is also concern about whether there can be any one model/formula for DSM that would be appropriate for all authorities. It is the view of the COSLA Executive Group that local authorities should be able to deliver services through management structures appropriate to local circumstances. Where that involves change, the change should be driven locally. It is unclear how a national review could deliver a uniform scheme that would be suitable for all authorities. Indeed, given the variety of approaches and given the budget available (for Education) priorities, it is debatable whether a nationally prescribed scheme could be implemented effectively in each authority in the short term.
- 3.6 As indicated above, it is not clear that the Cameron review has been undertaken either rigorously or systematically. On the basis of what is currently known, the review does not appear to have identified or captured the good practice currently in place in a number of authorities. Moreover, the published recommendations do not recognise that, to a significant degree, Scottish Government would need to change its own approach in order to bring about proposed changes, for example, in respect of three year budgets and class size maxima. Furthermore, the review appears not to recognise the significant levels of autonomy and flexibility which Head Teachers in many authorities, including Angus, already have in relation to devolved school budgets. It is worth noting that, in Angus, there are no limits on virement and that Head Teachers have considerable autonomy in relation to the recruitment and deployment of staff. That autonomy allows Secondary Head Teachers significant flexibility in the operation of management structures.
- 3.7 Deliberations about this review between COSLA/ADES and Scottish Government are currently in train. It is understood that local authorities will seek to demonstrate through those deliberations the extent of Head Teacher autonomy already available as a result of the implementation of the well considered national guidelines, issued in 2006. While these guidelines will benefit from being updated, they do not require to be fundamentally revised in order to provide Head Teachers with the level of autonomy envisaged by the Cameron Review. Although there is scope for promoting greater consistency across DSM schemes, that can be achieved by implementing and rolling out current best practice through a focused national audit.
- 3.8 The outcomes of these national deliberations will be the subject of a future report to the Education Committee.

4. DEPARTMENTAL DSM REVIEW GROUP

- 4.1 A small DSM working group, comprising mainly Head Teacher representatives from Primary and Secondary schools, has been in existence for a number of years. That group is charged with reviewing the Angus scheme on a regular basis to allow it to evolve and respond to changing circumstances and local and national issues. The group also considers ways in which support to schools can be improved, and provides a much appreciated forum for any problems to be raised and resolved. Since the last major review of the scheme, the following changes have been implemented:

4.2 Educational Development Service (EDS)

The main roles of the Educational Development Service are in the areas of curriculum development, continuing professional development, quality assurance and research and development. The national reform of the school curriculum – ‘Curriculum for Excellence’ - is clearly at the heart of much of this service’s work.

The rationale for devolving elements of the EDS budget to schools is to ensure that all schools receive an appropriate and guaranteed share of a limited resource and to improve accountability and transparency in the range of support provided by EDS. The budget devolved to schools is based on an allocation of hours, with a monetary equivalent, from the total hours spent by the service on curriculum development and CPD.

4.3 Additional Support Needs Teachers/Support for Learning Assistants in Secondary Schools

The implementation of the Education (Additional Support for Learning) (Scotland) Act 2009 has had the effect of increasing the number of children with defined Additional Support Needs and removing previous statutory references to records of needs. This has resulted in an ever increasing demand for the provision of a wide range of support to pupils with varying needs. It is important to ensure that, as far as possible, budgets reflect specific needs in every school. Accordingly, a small group of school-based and centre-based staff amended the basis for allocating resources to meet the spectrum of pupils’ additional support needs.

The revised formula allocation allows for a year on year review to identify and respond to acute areas of needs, for example, a high level of hearing impaired pupils. This area of the budget requires to be kept under regular review.

4.4 Supplies and Services – Allocation Rates

For a number of years, the Council’s budget strategy has involved each department being asked to meet agreed savings targets. Over the years, the Education Department has managed to limit the impact of such savings on devolved school budgets. While, year on year, schools have been asked to meet a cumulative savings target within their devolved budget, they have discretion as to which budget heads they use to meet the target.

However, in order to simplify budget setting procedures, it has been agreed to adjust particular budget heads (mainly per capita). This approach has improved transparency in budget setting processes and has resulted in per capita rates being more representative of per pupil available resources.

4.5 Supply Cover in Primary Schools

The formula for allocating short term supply cover budgets in primary schools has remained unchanged for a number of years. In secondary schools the **entire** supply budget is devolved. However, the impact of changes to staffing allocations, due in the main to revised class size regulations and arrangements for Trainee Teachers, has resulted in potential inequalities in the original supply cover formula.

In order to address this issue, the formula has been revised to take account of the pupil and staff configuration in schools. The revised approach has been adopted in 2011/12 budget allocations. This area of the budget will be subject to ongoing review to ensure that allocations are equitable, not least in the context of recent changes to national teachers’ terms and conditions.

4.6 Cluster Budgets

In recent years monies have been allocated on a cluster basis to support collaborative work in taking forward aspects of Curriculum for Excellence, for example, the joint development of Assessment and Moderation procedures or cluster-managed enterprise events.

5. IMPACT OF AMENDMENTS TO THE SCHEME ON DEVOLVED BUDGETS

- 5.1 The changes outlined above have increased the total sum devolved to schools by approximately £720,000. That approach is consistent with CIPFA Guidance on Accounting for Best Value. The other changes described above will contribute to the overall effectiveness of the DSM scheme within Angus Schools. Of the relevant budget, approximately 90% will be devolved to Angus Schools in 2011/12.
- 5.2 It is important to emphasise that budgets are only devolved to schools where it is appropriate to do so. The 2006 national guidelines recognise that an element of the budget requires to be retained centrally in order to ensure that the strategic and co-ordinating functions of the education authority continue to be managed in accordance with the principles of Best Value. Those functions include an increasing range of partnership work with other children's services and agencies in the absence of which it would be extremely difficult to adopt a coherent approach, for example, in the development and implementation of the national GIRFEC agenda.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

- 7.1 There are no Human Rights implications arising directly from this report.

8. EQUALITIES IMPLICATIONS

- 8.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An [equalities impact assessment](#) is not required.

9 SINGLE OUTCOME AGREEMENT

- 9.1 This report contributes to the following local outcomes contained within the Angus Single Outcome Agreement:
- young people and adults in Angus maximise their potential through learning opportunities (National Outcome 3)
 - children and young people in Angus will have access to positive learning environments and opportunities to develop their skills, confidence and self-esteem to the fullest potential (National Outcome 4)
 - children and young people in Angus and their carers will have access to high quality services and be assisted to overcome the social, educational, physical environmental and economic barriers that create inequality (National Outcome 7)

10. CONSULTATION

- 10.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted in the preparation of this report

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.