1 PURPOSE

1.1 This report provides a summary of the key findings and recommendations of the national review of local authorities’ Schemes of Devolved School Management undertaken by the Scottish Executive and identifies how the Service proposes to take forward the recommendations identified.

2 SUMMARY

2.1 In October 2001 the Scottish Executive published its Working Group Report on a national review of Devolved School Management.

2.2 The review was commissioned in light of:

- There had been no comprehensive review since schemes were introduced in 1996
- The recent agreement on teachers’ pay and conditions of service
- Section 8 of the Standards in Scotland’s Schools etc. Act 2000 that gives a statutory framework to the delegation by Education Authorities of functions to schools, particularly the links between school development planning and devolved school management.
- The increasing number of Private Finance Initiative proposals in Scottish Schools and their implications for school management.
- Issues of accountability associated with the recent direct funding of schools by the Scottish Executive.

2.3 The review was informed by an extensive survey of all local authorities and schools undertaken by System Three Research and the collective knowledge and experience of members of the Working Group.

2.4 The review has produced 26 recommendations. In summary these cover:

- The need to build confidence within existing schemes of devolved school management and raise awareness of the beneficial links with the school development plan and school wide developments.
• The need to ensure that local authorities take a strategic approach to DSM which allows schools maximum flexibility to respond quickly to changing priorities and the opportunity to manage budgets at a local level to suit individual school requirements.

• The need to provide schools with funding stability through three year budgeting to assist longer term planning and provide schools with clear guidance regarding management responsibilities, budget allocations, virement procedures and carry forward arrangements

• Review training and support for DSM schemes at school and authority level so that all involved, including parent bodies, have a clear understanding of their roles and responsibilities

3  RECOMMENDATION(S)

3.1 The Children’s Committee are asked to:

• Note the findings and recommendations of the national review of devolved school management

• Note the strengths and areas for development in the Council’s current scheme of devolved school management

• Note that significant progress has and will continue to be made in addressing the recommendations contained in the report.

4  CONSIDERATIONS


4.2 The key issues and findings of the review were evaluated against the following principles:

• Quality of decision making

• More rapid responsiveness by schools to changing needs and priorities

• Efficient use of resources providing value for money

• Raised morale of headteachers and staff

4.3 In general terms, whilst the review identified much good practice already operating in schemes of devolved school management across the country, a number of issues were identified that were common to a large number of local authorities.
4.4 In many parts of the country concern was expressed at the inflexibility of a number of devolved budgets consequent of the lack of choice which was seen to inhibit effective decision making, regarding the selection of suppliers and contractors. This was particularly the case for building maintenance services where in-house organisations were in many instances the sole supplier for non-specialist services. This observation in itself was not to undermine the quality and effectiveness of in-house organisations. The report highlighted however, the need for local authorities to demonstrate best value and remain open minded as to how this can be achieved based on local circumstances and priorities.

4.5 Particular concern was raised regarding the use of hypothecated funds such as the Excellence Fund and other additional resources for schools provided by the Treasury through budget announcements. It was argued that this approach to funding contradicted the principal aims of devolved school management and inhibited the prioritisation of funds to meet local needs and priorities. It was felt that local decision making and accountability assessed against local authorities strategic aims and policy frameworks and the Scottish Executive’s 5 national priorities for education was a more effective approach to adopt.

4.6 A significant barrier identified in maximising the effectiveness of devolved school management was seen to be the need to develop the confidence and skills of headteachers and other senior school managers. In particular it was identified that there was a need to develop a greater understanding of the links between devolved school management and school development planning and longer term planning linked to three year budgeting. It was also recognised that well developed schemes of devolved school management had a key role to play in achieving the full implementation of the Agreement on Teachers’ Pay and Conditions of Service.

4.7 The majority of local authorities have yet to introduce fully integrated financial management information systems that support both corporate and devolved school management needs. Currently the vast majority of local authorities are operating incompatible systems that require significant manual intervention to produce meaningful financial management information. This is very time consuming and does not provide the optimum solution for effective budgetary control, reporting and decision making.

4.8 A comparison of Stirling’s scheme of devolved school management against the national findings demonstrates that it has many strengths and a strong platform to make further progress. The key strengths of the current scheme include:

- Clear guidance on management responsibilities and budget allocations.
- Significant flexibility to vire (transfer) funds between budget headings to support local needs and priorities
- The capacity to carry forward balances (under and overspends) between financial years to support longer term planning.
- Effective, highly valued devolved school management support arrangements for Headteachers.
4.9 Whilst noting the strengths of the Council’s current scheme there is a need to make improvements and introduce developments in order to ensure maximum effectiveness. In particular improvements/developments are required in the following areas:

- The introduction of three year devolved school budgeting
- Enhanced staff development to build the confidence and skills levels of headteachers and other senior school managers
- The introduction of greater choice and flexibility in the selection of suppliers and contractors in pursuit of best value
- The introduction of a more effective financial management information system that better meets the needs of devolved school management.

4.10 A comprehensive action plan has been prepared that covers all 26 recommendations of the report. A progress report on the implementation of the recommendations has also been prepared at the request of the Scottish Executive. Copies of both, along with a copy of the report are available in the Members’ lounge.

5 POLICY IMPLICATIONS

5.1 This report supports the Council’s strategic aims of delivering quality services, promoting social inclusion, local democracy, participation and sustainability.

6 CONSULTATIONS

6.1 This report has been prepared in consultation with the Chair of Children’s Committee and also reflects the findings of the recent review undertaken by the Chair’s Budget Scrutiny Group that examined schools’ devolved budgets.

7 RESOURCE IMPLICATIONS

7.1 The funding implications associated with the implementation of the recommendations of the national review of devolved school management will be contained within existing resources.
8 BACKGROUND PAPERS


8.3 Review of Devolved School Management, Stirling Council Progress Report to Scottish Executive, March 2002

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