

**Summary  
Edition**

June 2022



**East Lothian  
Council**

# **DEVOLVED SCHOOL MANAGEMENT SCHEME**

Enabling our schools to deliver the very best for  
East Lothian's children and young people, and their families.



## What is the Devolved School Management Scheme?

**East Lothian Council's Devolved School Management (DSM) Scheme** is a set of guidelines and formulas that determine how much funding a school receives to deliver the very best for East Lothian's children and young people and their families through our 34 primary schools and 6 secondary schools.

The DSM Scheme is designed to:

- **be fair to all**
- **provide equal opportunity for all schools to be successful**
- **be clear and transparent in how financial decisions are made by the school leadership team**
- **deliver value for money.**

## Why have the guidelines changed recently?

The Scottish Government issued updated guidelines in 2019 and asked local authorities to review and update their schemes by August 2022.

The new guidelines requires local authority DSM Schemes to be easier to understand for everyone in the school community and for Head Teachers to listen to the views of pupils, staff, parents and local councillors before making decisions about how they spend their funding to improve the educational opportunities of all children and young people in their school.

## How is a school budget set, and how often?

East Lothian Council sets its budget annually, taking effect from April 1st. The total amount that is allocated to the Education Service uses the guidelines and formulas in the DSM Scheme to divide the funding into individual budgets, giving each school a budget based on the number of pupils and classes it has, but also other factors like how many pupils are entitled to free school meals.

Generally, over 90% of the funding a school receives will be to pay for the cost of employing staff. This leaves less than 10% of the total funding to pay for class resources and materials and other costs associated with running the school that it has to meet as identified in the DSM Scheme.

It should be noted that the financial year runs from 1 April to 31 March, but the school academic year runs from August to July. Schools need to consider this when planning their staff recruitment as, for example a contract for a teacher for the full academic year, August to July will be paid for over two different financial years.

Primary and Secondary school budgets have the same guidelines but the way the budgets are used can be different:

- In Primary schools the budget is calculated based on the entitlement of a teacher for each class for the full week. This will be more than one teacher cost due to teachers having planning and preparation time. The staffing costs are likely to be greater than 90% of the total school budget allocation. A budget for educational resources is based on the number of pupils at the school. Schools are given a budget that meets the full cost of energy.
- In Secondary schools the budget is calculated based on the pupil number and from this budget the school has to pay for both staffing and resources costs. The Head Teacher and

senior leadership team decides on the staff structure required to meet the timetable in place and management needs of the school each year. This can change each year depending on the number of pupils at the school and the subject choices made by pupils. The budget on staffing is likely to be greater than 90% of the total budget allocation. The remainder of the budget after staffing costs have been taken into account is to meet the costs of educational resources, for example text books, jotters, paper, photocopying and printing costs, art, science and technology materials and cooking ingredients, and sports equipment. Secondary schools do not pay directly for energy costs or many of the building maintenance and running costs, such as cleaning and janitorial services which are met by a separate contract arrangement that schools do not meet from their budget allocation.

## **The role of the Parent Council in relation to the DSM Scheme**

Under the DSM Scheme, Head Teachers are required to provide Parent Councils with funding information, budget updates, plans and priorities throughout the year, and to discuss how their approach meets their School Improvement Plan objectives. It is the role of the Parent Council to share this information with parents/carers via Parent Council meeting minutes.

## **What does DSM Scheme funding pay for?**

The DSM Scheme provides funding for staff wages including; taxes and pension contributions, energy costs (Primary schools only), and educational supplies and services needed to deliver teaching and learning for pupils. This will include items such as pencils, paper and jotters, text books, calculators, art and craft materials, PE equipment. It also includes funding for running the school (known as overhead costs) for resources such as phones and photocopying machines, soap and paper towels.

## **What does the council pay for?**

Some costs are not considered suitable to be devolved and are met centrally by the council's Education Service. These include services such as school meals, janitorial services, home to school transport, and waste collection.

Specialist education services may be provided via a shared centralised team with particular areas of professional expertise such as Instrumental Music Instructors, Educational Psychologists, and Learning and Behaviour Support Teams. This approach is a more efficient use of such staff than provision to each individual school, as they may only be needed by the school for a few hours a week or less, but across all the schools the hours add up to a full or part-time role.

In addition, some external services like the computer system that manages pupil data are paid for centrally for all schools under one contract, rather than every school having to manage a separate contract. Buying this service on behalf of all schools helps the council to keep the cost of the service lower and getting Best Value from its resources while making sure every school receives the same level of service.

## What is Best Value?

Best Value is the term used to describe the legal duty for local authorities, such as East Lothian Council, to ensure that all public money is used to achieve the best possible outcomes for the public. Best Value is a key principle of the DSM Scheme. In the case of Education Services and schools, this means that all funding must be spent in line with council financial and purchasing guidelines to deliver the best education possible for all pupils from the resources available.

## How often is the DSM Scheme reviewed?

The DSM Scheme will be reviewed every 3 years by a 'working group' which will include representatives from schools, central education, finance, human resources and trade unions. Every 3 years the DSM Scheme will be reviewed by another local authority who may make suggestions for improvement.

If there are big changes to the council budget allocation or policy decisions that impact on the DSM Scheme, it may be necessary to review it sooner than every 3 years.

## Where can I access the full version of the DSM Scheme?

East Lothian Council will update and publish their DSM Scheme in full online at [www.eastlothian.gov.uk/DevolvedSchoolManagementScheme](http://www.eastlothian.gov.uk/DevolvedSchoolManagementScheme)

Head Teachers should also arrange for their school DSM budget to be published on the school website and inform parents and other interested parties when it is available.

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