

S45. USE OF DEVOLVED SCHOOL MANAGEMENT (DSM) RESERVE

The committee considered a report by the Director of Children's Services providing information on the background to the DSM scheme, and the purpose of the DSM reserve and how it operates. Kenny McNeill provided an overview of the report.

Members commented that in order to give full consideration to the topic it would be useful to get further information on what the DSM budget was spent on, why there are contractual time differences and why there were carry forwards.

In response to a question on the use of the DSM budget to cover costs between April and June, Robert Naylor stated that this was caused by the non-alignment of the financial and academic years. Members asked why this was not built into the Council's budget setting process. Robert Naylor stated that some costs to schools fluctuated throughout the year such as staffing levels, which are related to school roll size. Schools needed to be able to fund their teaching posts from August until the end of June, which crossed the end of the financial year. He also commented that in some cases schools built up a small carry forward in order to purchase resources they would not be able to afford from a single year's budget. However, he advised that there were agreed tolerances relating to carry forward and that anything beyond this level needed to have the Director's approval.

There was discussion on how much money was spent by all schools each year from their DSM budget and how carry forward was generated. Danny Cairney stated that the schools broadly tended to spend the entirety of the £2million per capita budgets they were allocated. In terms of the DSM Reserve he commented that this had decreased from approximately £7.5million in 2010/11 to a projected £3.5million for 2015/16.

In discussion on what DSM was used for, Robert Naylor stated that the majority is spent on staffing costs, which gave Head Teachers some flexibility to get the right structure for their school. The scheme was run in line with recent guidance from COSLA and that the fund was used to smooth variance between the financial year and academic year.

The committee requested that a further report is submitted to its next meeting providing information on: an outline of the issues that are devolved to school level and those retained by the Service; the extent of the budget devolved to schools compared with the wider Education budget; the extent to which the areas devolved allow for decision making by the head teacher (with examples); the proportion of the DSM Reserve which arises from the non-alignment of the school year and the financial year (with examples), and in the event that the DSM Reserve is required for reasons other than the non-alignment of the school and financial years, an outline of those reasons.

Decision

The committee requested a further report providing information on:

- (i) an outline of the issues that are devolved to school level and those retained by the Service;**
- (ii) the extent of the budget devolved to schools compared with the wider Education budget;**

- (iii) the extent to which the areas devolved allow for decision making by the head teacher (with examples);
- (iv) the proportion of the DSM Reserve which arises from the non-alignment of the school year and the financial year (with examples), and
- (v) in the event that the DSM Reserve is required for reasons other than the non-alignment of the school and financial years, an outline of those reasons.