

REPORT TO: CITY GOVERNANCE COMMITTEE – 27 FEBRUARY 2025

REPORT ON: REDUCTION IN DEVOLVED SCHOOL MANAGEMENT ALLOCATIONS IN SECONDARY SCHOOLS

REPORT BY: EXECUTIVE DIRECTOR OF CHILDREN AND FAMILIES SERVICE

REPORT NO: 67- 2025

1 PURPOSE OF REPORT

- 1.1 To seek approval to reduce the Devolved School Management budget that is allocated to secondary schools by 1%.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a approves a 1% reduction in the Devolved School Management budget that is allocated to secondary schools from August 2025.

3 FINANCIAL IMPLICATIONS

- 3.1 The implementation of this proposal would result in a full year saving of approximately £542,000.

4 BACKGROUND

- 4.1 In Scotland, Devolved School Management (DSM) is a system that allows individual schools to manage their own budgets. This means that local authorities provide funding to schools, and the head teachers are responsible for making financial decisions about how to use that money. The goal is to give schools more control over their resources so they can make decisions that best meet the needs of their pupils, families and staff.
- 4.2 DSM allocations are issued to schools based on a range of factors and formulas. The allocation process involves consultation with head teachers and other stakeholders to ensure that the funding reflects the specific needs and priorities of each school. Head teachers are responsible for managing their allocated budgets and making decisions on resource allocation.

5 PROPOSAL

- 5.1 The proposal is that each secondary school would achieve a 1% DSM saving in 2025/26. Decisions as to how these savings would be achieved will be taken at individual school level by each head teacher, supported by central officers. The rationale for this approach is in line with the purpose of DSM; involving Head teachers in the decision-making process for budget savings can lead to more effective and efficient management of resources, and decisions which are better aligned with individual school contexts and priorities.
- 5.2 This proposal was contained within the budget consultation exercise 2025/26. A summary of the key responses is provided in Appendix 1.
- 5.3 Head teachers will collaborate with each other and central officers to achieve a 1% saving per school. They will explore all options, assess impacts, and implement mitigation plans. As per normal procedures, the impact of all spends will be monitored by head teachers and quality assured by central officers throughout the academic session.

5 POLICY IMPLICATIONS

- 5.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/mitigating factors for them is included as an Appendix to this report.

6 CONSULTATIONS

- 6.1 The Council Leadership Team have been consulted in the preparation of this report and are in agreement with its content.

7 BACKGROUND PAPERS

- 7.1 None.

Audrey May
Executive Director of Children and Families Service

Paul Fleming
Chief Education Officer

7 February 2025

APPENDIX 1

Budget Consultation 2025/26 – Devolved School Budgets

There were 2,895 responses. 954 respondents provided detail on the impact they felt this proposal would have. Key responses from this were:

- Respondents showed strong opposition in any cuts to school budgets, citing already tight funding and the negative impact on education quality and teacher resources. There were significant concerns about how budget cuts will affect vulnerable pupils, including those with additional support needs and those from deprived backgrounds. Concerns were also raised regarding a potential reduction in extracurricular activities and formative experiences for pupils.
- Many highlighted the strain on teachers who are already dealing with limited resources and increased responsibilities and fear further cuts will exacerbate these issues.
- The importance of investing in education for the future success of pupils and society was stated, arguing that cuts would be short-sighted and harmful.
- Several respondents call for increased funding instead of cuts, to better support schools, teachers, and pupils, particularly considering recent challenges. Concern was shown about the long-term negative implications of budget cuts on pupils' future prospects and society as a whole.
- Several suggested that increased community involvement and fundraising could help mitigate the impact of budget cuts, though it was highlighted that this was not seen as a complete solution.
- Some respondents felt that better improved financial oversight, budget management and efficiency in schools could help mitigate the impact of any cuts. While many are against the cuts, a few believe that a small reduction might be manageable if implemented carefully and with sufficient planning.

Integrated Impact Assessment

Committee Report Number: 67-2025

Document Title: Reduction in Devolved School Management Allocations in Secondary Schools

Document Type: Other

Description:

To seek approval to reduce the Devolved School Management budget that is allocated to secondary schools by 1% as part of the 2025/26 budget setting process.

Intended Outcome:

Approval to implement a 1% reduction in the Devolved School Management budget that is allocated to secondary school in 2025/26.

Period Covered: 01/04/2025 to 31/03/2026

Monitoring:

The Head of Service, Strategic Education Managers, and the Business Support Manager will collaborate with each secondary school's head teacher to discuss potential options, assess their impact, and plan and implement mitigations. Head teachers will monitor all expenditures, including savings, and central officers will quality assure throughout the academic session. This collaborative effort aims to enhance mitigations and reduce any negative impact of the savings proposal.

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Equality, Diversity and Human Rights

Impacts & Implications

Age: Negative

The proposed changes specifically affect young people in all secondary schools. However, the specific nature and extent of this impact are currently unknown.

Implications

Potential implications include:

â€¢ The reduction in resources may strain the ability of schools to provide targeted interventions and support services.

To ensure a comprehensive understanding of the implications, each school will engage with pupil voice groups through consultations and feedback mechanisms. This will provide valuable insights into how the changes may affect individuals of different ages and aid in developing appropriate mitigation strategies. This is also in line with UNCRC.

Mitigations

Engagement: Schools should engage with key stakeholders to ensure a sound understanding of the impact and develop mitigation strategies. This engagement will provide valuable insights into how the changes may affect individuals of different ages and aid in developing appropriate mitigation strategies.

Monitoring and evaluating the effects on different age groups will help identify any unintended consequences and allow for timely adjustments to mitigate negative impacts.

Collaboration: Officers will work closely with all schools, both individually and collectively, to enable timely interventions using all available funds to minimise or negate any negative impacts.

Disability: No Impact

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact

East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Carers: No Impact

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: Negative

The proposed 1% reduction in DSM allocations for secondary schools may impact the ability of schools to effectively address the existing attainment gap, which is a significant aspect of inequality in Dundee. This reduction could limit the flexibility of school budgets, affecting the allocation of resources necessary to support pupils who experience particular inequalities and disadvantages.

While schools have access to Pupil Equity Funding and are part of the Scottish Attainment Challenge, the proposed budget reduction may strain these resources. The challenge of tackling poverty and achieving long-term social and educational transformation may become more difficult, as schools may have fewer resources to implement targeted interventions and support services.

To ensure a comprehensive understanding of the implications, each school will engage with stakeholders through consultations and feedback mechanisms. Monitoring and evaluating the effects on different age groups and wards will help identify any unintended consequences and allow for timely adjustments to mitigate negative impacts. Officers will work closely with all schools, both individually and collectively, to enable timely interventions using all available funds (including all Attainment Scotland funds) to minimize or negate any negative impacts. Collaboration with other service areas and partners will also be imperative to reduce or negate any negative impact.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Socio Economic Disadvantage Impacts & Implications

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation: No Impact

Employment Opportunities: No Impact

Education: Negative

The proposed 1% reduction in DSM allocations for secondary schools may impact the ability of schools to effectively address the existing attainment gap, which is a significant aspect of inequality in Dundee. This reduction could limit the flexibility of school budgets, affecting the allocation of resources necessary to support pupils who experience particular inequalities and disadvantages.

Impact on Pupil Equity Funding and Scottish Attainment Challenge: While schools have access to Pupil Equity Funding and are part of the Scottish Attainment Challenge, the proposed budget reduction may strain these resources. The challenge of tackling poverty and achieving long-term social and educational transformation may become more difficult, as schools may have fewer resources to implement targeted interventions and support services. This needs to be considered in the context of a further £1.23 tapering of Dundee's Strategic Equity Funds.

Resource Allocation and Quality of Education: Head teachers, in consultation with central officers, will need to determine which budget headings within the core secondary budget will be reduced. This could lead to variations in resource allocation across different wards, potentially impacting the quality of education and support services available to pupils. The reduction may also affect the ability of schools to enhance their teaching staffing beyond the current core allocation, which is essential for delivering quality education.

Skills Development Pathway: The reduction in DSM allocations may impact the development and implementation of skills development pathways that help young people progress into training, further education, and paid employment. Limited resources may hinder schools' ability to provide comprehensive support and opportunities for skills development, potentially affecting efforts to tackle in-work poverty.

Monitoring and Mitigation: To ensure a comprehensive understanding of the implications, each school will engage with stakeholders through consultations and feedback mechanisms. Monitoring and evaluating the effects on different age groups and wards will help identify any unintended consequences and allow for timely adjustments to mitigate negative impacts. Officers will work closely with all schools, both individually and collectively, to enable timely interventions using all available funds (including all Attainment Scotland funds) to minimize or negate any negative impacts. Collaboration with other service areas and partners will also be imperative to reduce or negate any negative impact.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: Not Known

The proposed 1% reduction in DSM allocations for secondary schools may impact neighbourhood satisfaction. Schools serve as community hubs, providing education, support services, and extracurricular activities. Reduced funding may limit these resources, potentially decreasing community engagement and support.

Survey Results: The budget consultation revealed strong opposition to cuts, with concerns about the negative impact on education quality, teacher resources, and vulnerable pupils, including those with additional support needs and from deprived backgrounds. Respondents also highlighted the potential reduction in extracurricular activities and the strain on teachers already dealing with limited resources.

Potential Mitigations:

Stakeholder Engagement: Schools should engage with stakeholders, including parents, pupils, and community members, through consultations and feedback mechanisms to understand the impact and develop mitigation strategies.

Monitoring and Evaluation: Regular monitoring and evaluation will help identify unintended consequences and allow for timely adjustments to mitigate negative impacts.

Collaboration: Officers should collaborate with other service areas and partners to leverage all available funds, such as Attainment Scotland funds, to support schools and maintain community engagement.

Targeted Interventions: Implement targeted interventions for schools in the most affected neighbourhoods, including additional funding or resources for schools in Community Regeneration Areas (CRAs).

Financial Oversight: Central officers work with head teachers to ensure financial oversight, budget management, and efficiency in schools and will also work closely with them to mitigate the impact of cuts and maintain the quality of education and support services.

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Negative

The proposed 1% reduction in DSM allocations for secondary schools may carry political and reputational risks for the Council.

Political Risk: The reduction in school budgets may lead to public dissatisfaction and opposition, as evidenced by the budget consultation results. Respondents expressed strong opposition to any cuts, citing concerns about the negative impact on education quality, teacher resources, and vulnerable pupils.

Reputational Risk: The Council's reputation may be at risk if the proposed budget cuts are perceived as undermining the quality of education and support services. Concerns were raised about the potential reduction in extracurricular activities and the strain on teachers already dealing with limited resources.

Potential Mitigations:

Transparent Communication: Clearly communicate the rationale behind the budget cuts and the steps being taken to minimise, or negate, their impact on education quality and support services. This can be achieved at local level through schools.

Stakeholder Engagement: Actively engage with stakeholders, including parents, pupils, and community members, to gather feedback and address concerns.

Financial Efficiency: Ensure financial oversight and budget management to optimise the use of all available resources and mitigate the impact of cuts.

Collaborative Efforts: Work closely with other service areas and partners to leverage all available funds and maintain community engagement and support services.

Economic/Financial Sustainability / Security & Equipment: No Impact

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.