



# **Devolved School Management Finance Manual 2022/23**

## **Secondary Sector**

**Finance & Property Services  
Education Services**

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## SECTION 1: INTRODUCTION TO DEVOLVED SCHOOL MANAGEMENT

### 1.1 The Objectives of DSM

The underlying objective of Devolved School Management is to enable decisions, relevant to the day to day management and provision of school education, to be made at local level. The Scheme of Devolved School Management provides the method of calculating how resources are allocated to schools on the basis of clearly defined allocation criteria.

Responsibility for determining how this budget will be allocated within the school however, rests with each Head Teacher, and the Scheme does not provide a prescriptive guide to how resources will be used within each school.

This approach will ensure that schools are resourced in a fair and consistent manner, whilst ensuring that Head Teachers are empowered to deploy resources in the manner best suited to meet the needs of the learners in their school.

The Finance Manuals will continue to evolve in light of national developments regarding the governance of education.

### 1.2 Devolved School Management Overview

Devolved School Management was introduced in 1993 to enhance and improve the management of resources at school level. The DSM guidance was reviewed in 2006, and again in 2012, taking account of the changing economic and financial climate for both Local Authorities and the Scottish Government. In June 2017 the Scottish Government consulted on changes to DSM as part of the wider "*Fair Funding to Achieve Excellence and Equity in Education*" consultation.

The updated DSM guidelines, published in summer 2019, seek to build and improve on the DSM Guidelines of 2012 and, critically, reflect and integrate with the Education Reform Programme and priorities emerging from the Scottish Government and COSLA Education Reform Joint Agreement of June 2018. These Guidelines can be found here <https://www.gov.scot/policies/schools/devolved-school-management/>.

The Guidelines have been devised to help Local Authorities develop their own Devolved School Management (DSM) schemes. The new Guidelines aim to encourage participation from Local Authority wider teams, schools and parents.

They have been prepared through collaboration and consultation with a wide range of stakeholders. Collaboration is key to a successful local DSM scheme and this is captured within the Joint Agreement and Headteachers' Charter to which these guidelines align and support.

### 1.3 Principles of Devolved School Management

The updated DSM principles, agreed by the Fair Funding Reference Group and building on and enhancing the foundations and principles of the 2012 guidance, are:

- Subsidiarity and Empowerment
- Collaboration
- Accountability and Responsibility
- Clarity and Equity

These principles reflect the National Improvement Framework aims of excellence through raising attainment and achieving equity. The principles also fully endorse those proposed in the Fair Funding consultation:

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- **support excellence and equity** - ensuring every child and young person has the same opportunity to succeed
- **be fair** - placing the needs of all children and young people at the centre
- **be simple**, transparent and predictable – ensuring the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty
- **deliver value for money** – ensuring that every penny spent is used effectively

## **SECTION 2: BUDGETS AND ACCOUNTING**

### **2.1 INTRODUCTION**

#### **2.1.1 Financial Year and Issue of Budget Statements**

The financial year runs from 1st April to 31st March and spans two academic years. Budget statements are issued to schools at the commencement of the financial year and updated at specific intervals to take account of changes within the academic year. A second statement is issued at the start of the academic year to confirm probationer allocations. A third statement is issued in autumn following the Scottish Government census. If there are any further funding movements, particularly in relation to learning support, schools will receive a final statement in January.

In line with the council's Financial Regulations all services, including schools, are required to submit financial forecasts at the end of month 2, 6 and 9 for reporting to the Council Executive. A further forecast is required early March from schools in relation to projected carry forward balances.

Following completion of the council's final accounts, carry forward figures are confirmed with schools prior to the summer holidays.

#### **2.1.2 Budget Statements and Pupil Rolls**

Within the secondary sector, budget allocations for April to July are based on actual school rolls per the previous September school census figures. August to March budgets are based on projected pupil numbers (based on information from Pupil Placement) until actual school rolls are confirmed following the Scottish Government census. A 1% tolerance is then applied to projected figures and if movements are greater than +/- 1%, adjustments are made to the August to March allocations falling out with the tolerance level.

#### **2.1.3 Expenditure Records**

Records of expenditure must be maintained in each school for all delegated budgets. Within schools the authority's financial ledger, CedAr e5, records all relevant income and expenditure items. This system is fully integrated with the e-Procurement system (PECOS) to enable the monitoring of committed expenditure (orders) as well as actual expenditure (invoices paid).

Imprest expenditure should be recorded on an Excel spreadsheet and reconciled to bank statements on a regular basis (see appendix A). Expenditure is posted to the financial ledger after a reimbursement claim is received by the Financial Management Unit.

#### **2.1.4 Ad hoc Adjustments**

Ad hoc adjustments are agreed at the discretion of the Head of Service and are reviewed on an annual basis. All ad hoc adjustments signed off by the Head of Service are recorded on the ad hoc adjustment register.

#### **2.1.5 Budget Virement**

Head Teachers are permitted to divert monies between fully delegated budgets. Such budget transfers are known as virements. The Financial Management Unit will request details of such realignments and amend ledger budgets to reflect anticipated spending trends.

### **2.1.6 Staffing Performance Factor**

A staffing performance factor is deducted from a school's budgets, which takes account of in-year savings that are achieved through turnover of staff, temporary vacancies and other short term staff savings. The staffing performance factor excludes teachers.

### **2.1.7 Carry Forward of Year-End Balances**

Under the DSM scheme, schools may carry forward over or under spends at the end of each financial year. The carry forward is calculated by determining the net expenditure position on all devolved budget headings at as 31<sup>st</sup> March and determined by the balances recorded in the authority's financial ledger.

The maximum under-spend that may be carried forward is set at 2.5% of all fully devolved budget headings. Any balance greater than the 2.5% threshold is not available to the school in the following year. Any carry forward above 1% will require Head of Service approval.

Any overspend is carried forward in full and no maximum threshold is applied. Head Teachers are advised to avoid material overspends and to ensure that resources are managed effectively.

Schools may wish to use this carry forward not only for on-going revenue expenditure but may also wish to save towards a longer term planned objective such as school refurbishment etc.

## 2.2 LINEAR MODEL ALLOCATIONS

### 2.2.1 Linear Model Allocations

A Linear Model is used to allocate the greater majority of resources to secondary establishments in respect of basic staffing budgets and miscellaneous supplies. Schools have local flexibility to determine how these resources are used in curriculum delivery.

The Linear Model is predominantly driven by pupil roll. Actual pupil rolls (in line with Scottish Government census figures) are utilised to calculate budget entitlement for the period for April to July. Projected rolls (based on information from Pupil Placement) are used to calculate entitlement for the period August to March. A 1% tolerance threshold is applied to projected figures and on publication of Scottish Government census figures, adjustments are made to budgets in accordance with the movement in roll over or under the stated threshold.

### 2.2.2 Indicative Management Allocation

All secondary schools will receive an indicative budget allocation to support their management structures. The budget allocation will follow the requirements of national conditions and salary scales and will be updated to reflect changes in these. Head Teachers may put in place an alternative management and/or staffing structure, but the cost of this alternative structure will not automatically be reflected in future years indicative budget allocations. Future years' indicative budget allocations will continue to be based on the standard indicative budget allocations to support management and the roll of the school. It is the responsibility of the Head Teacher to ensure that any decisions they take are financially sustainable.

#### Fixed Element:

<b>Pupil Roll</b>	<b>Post</b>	<b>HT</b>	<b>DHT</b>	<b>PTC</b>
0 – 1,199	FTE	1.0	2.0	9.0
1,200 +	FTE	1.0	3.0	9.0



## 2.3 TEACHING STAFF

### 2.3.1 Staff Complement

Schools have flexibility within their available resources to determine their basic staffing complement. Although the Linear Model provides a mechanism for allocating budgets to schools, it is not prescriptive in determining the total teaching FTE or the promoted structure within the school. Schools have flexibility, within available resources, to determine the appropriate structure to meet the needs of pupils.

### 2.3.2 Class Contact Time

The maximum class contact time for a secondary class teacher is 22.5 hours.

### 2.3.3 Probationer Class Contact Time

In line with teachers' terms and conditions agreement, probationer teachers must have a maximum class contact time of 18.5 hours per week, equivalent to 0.82 of a full time teacher. Probationers are determined as "core" where a school has a teaching vacancy, and requests and finances the post from within the school budget. Probationers are classified as "fully funded" where the authority receives additional grant funded probationers and allocates them to schools.

Each school, which has a core probationer, receives an additional allocation of 0.18 FTE for probationer non-class contact time and 0.1 FTE for mentoring. These allocations are based on a probationer's salary to reflect the actual costs charged to school for non-class contact time. The 0.82 FTE class contact time is met from within the school's teaching staff entitlement and the cost of the probationer's class contact time is charged to the school at the average salary of a teacher. Where a "pointage" vacancy exists in a school, the school may also request that a probationer be appointed and will receive additional top-up funding as appropriate.

Where a school is entitled to a 'fully funded' probationer, an additional allocation of 1.1 FTE, which includes 0.1 FTE for mentoring, is provided. This allocation is additional to the schools basic teaching staff complement and is directly funded by the Scottish Government at a probationer's salary scale point.

### 2.3.4 Classes for Pupils who Require Additional Support for Learning - Pupil Numbers and Additional Support for Learning Classes

The maximum number of pupils per teacher for individual special classes is outlined in the table below.

Class	Numbers
Autistic Spectrum Disorder	6

### 2.3.5 Chartered Teacher Costs

With effect from 21<sup>st</sup> August 2017 Schools fund the cost of Chartered Teacher from their devolved resources.

## 2.4 TEACHERS ABSENCE COVER

### 2.4.1 Sickness Absence

School (devolved) Funded Absence Cover is defined as up to and including the 17<sup>th</sup> working day of absence. Once an individual has been absent for 18 days or more the absence becomes Centrally Funded Absence Cover and is funded from central monies.

Resulting from changes to teachers terms and conditions implemented at 1<sup>st</sup> August 2011 additional absence cover budget will from 1 April 2012, be allocated using scale point 1 on the teacher's salary scale. Further top-up element of 6.2% added April 2014.

	<u>charge to</u>
▪ All school core vacancy cover	045001
▪ Maternity cover	045001
▪ School Funded Accrued Maternity Leave	045001
▪ Short Term Absence Cover	048201
▪ All school funded sickness absence	048301
▪ All centrally funded sickness absence cover	048401
▪ Other school funded absence cover	048501
▪ Other centrally funded absence cover	048601

*These subjective codes are reflected on the supply teachers claim forms.*

### 2.4.2 Maternity Absence

The council will meet the cost of teachers on maternity leave until the date that they return to pay date (subject to the conditions outlined below). Schools will meet the cost of any supply cover brought in during the period of maternity leave.

Teacher's annual leave entitlement is 40 days. Teachers' annual salary is calculated over 235 days (195 teaching days and 40 days annual leave) with 26 unpaid "closed" days.

Accrued leave may be taken in two parts, either term time leave or during designated closed days. A maternity calculator is used to determine the total days accrued, the number of days statutory leave to be taken during term time and the balance to be directed to closed days. After consideration of statutory leave requirements, accrued leave in the first instance must be directed to designated closed periods.

The council will meet the cost of staff undertaking a period of accrued leave where annual leave immediately follows the period of maternity leave. If the school agrees a phased return to work or agrees to term time leave rather than directing leave to be taken during designated closed days, then the school will become responsible for meeting both the cost of the supply teacher and the accrued leave period. Further details are contained in appendix B.

### 2.4.3 Keeping in Touch Days

Schools will also meet the cost of any "Keeping in Touch" days that a teacher may use during a period of maternity leave. Costs will be charged to normal basic pay subjective and school cost centre

2.4.4 Breakdown of Absence Cover

Teaching Absence Cover	School / Centrally Funded	Ledger Code
0 – 2 days	School/Centrally	048201
0 – 17 days	School	048301
18+ days	Centrally	048401
Maternity Leave	School	048501
Maternity/Paternity Support	School	048501
Keeping in Touch Days	School	045001
Antenatal Care	School	048501
Adoption Leave	School	048501
Staff Development	School	048501
Staff Development	Centrally	048601
Relocation (Moving)	School	048501
Job Share In-service Days	School	048501
Retirement Training	School	048501
Jury Duty	Centrally	048601
Witness at Court (Paid)	Centrally	048601
Witness at Court (Unpaid)	Centrally	048601
Union Duties	School	048501 <i>(Budget Provision)</i>
Planned health care young Child	School	048501
Illness of a dependant	School	048501
Serious Illness of dependant	School	048501
Bereavement Leave	School	048501
Funeral Attendance	School	048501
Hospital Appointment	School	048501
Emergency dental/medical appointment	School	048501
Unauthorised absence (unpaid)	School	048501
TA leave/Armed Forces	Centrally	048601
Children’s Panel	Centrally	048601
Suspended with Pay	School	048501
Suspended without Pay	School	048501

## 2.5 ADDITIONAL SUPPORT FOR LEARNING NEEDS (TEACHING & NON-TEACHING)

Schools receive an allocation to support pupils with additional support for learning needs based on roll and SIMD. This allocation is updated every two years, based on audit if need.

Schools receive two separate allocations for additional support needs within its devolved budget. The first allocation is for Learning and Teaching and is distributed by way of a teaching allocation to schools; the second allocation is for Physical and Sensory Needs and is usually distributed by way of a Pupil Support Worker allocation.

Schools will also receive a needs-based allocation for pupils with severe to complex needs.

### 2.5.1 Additional Support for Learning Needs – Teacher Allocation

This considers the following factors;

- **Roll** – each school receives an allocation, regardless of deprivation or attainment.
- **SIMD** (Social Indicators of Multiple Deprivation) – each school is allocated a weighting, indexed against the mean rank of the school with the lowest level of deprivation in the authority.

### 2.5.2 Support for Learning - Pupil Support Worker

This considers the following factors;

- **Roll** – includes the school roll plus the average capacity of any nursery class.
- **SIMD** (Social Indicators of Multiple Deprivation) – each school is allocated a weighting, indexed against the mean rank of the school with the lowest level of deprivation in the authority.

Pupil support Workers for children with additional learning needs are based on 45.4 weeks since they are not required on 'in-service' days. Full time sessional staff equates to 0.8731 (fte). This is based on 38 weeks employment plus 7.4 weeks paid holidays (maximum after 5 years employment), a total of 45.4 weeks.

## 2.6 NON TEACHING STAFF

### 2.6.1 Support Staff Absence Cover

No budget allocation is made to schools in respect of absence cover for non-teaching staff. Should the school require absence cover they must fund the cost of the long term absence cover for the first **4 weeks** irrespective of when that cover first began. Thereafter the education non-devolved budget will contribute **50%** of the actual cover cost incurred with the school financing the remaining **50%** from its devolved resources. In exceptional circumstances where prolonged absence causes financial difficulties, the Head of Service may consider exceptional circumstances. The following arrangements are summarised in the table below.

Absence Cover Analysis	Sick Admin	Cover
First 4 Wks of Absence	100%	100%
After 4 Wks and until employee goes on Half Pay	100%	50%
Administrative Staff on Half Pay	50%	50%
Administrative Staff on No Pay	0%	100%

### 2.6.2 Non-Teaching Staff - Parental Leave

Where a non-teaching member of staff goes on parental leave, the school will meet the cost of any cover required from its devolved resources and the Education budget will meet the associated cost of parental pay from non-devolved budgets.

When the member of staff returns to work (or commences their period of accrued annual leave) they associated costs should be charged against school devolved budget. Costs relating to the cover of accrued leave for members of staff returning from leave will require to be met by the school.

### 2.6.3 Dining Room Supervision

Teaching or non-teaching staff may undertake dining room supervision duties and the relevant budgets are contained within Linear Model allocations. The cost of five free meals should be accounted for if the cover provided is from the teaching staff. Operational Services will recharge schools with any meals over the entitlement.

### 2.6.4 Facilities Management Overtime

Where FM assistants undertake duties outwith their standard working hours following a request from a Head Teacher, these costs must be met by the school from its devolved resources. For example, a FM assistant may facilitate weekend maintenance work which can incur over-time costs. Related expenditure can be identified by codes prefixed **0202XX** on the financial ledger.

## **2.7 OTHER BUDGET ALLOCATIONS**

### **2.7.1 16 + Travel**

Budgets are currently non-devolved with schools contributing £1,000 annually from their devolved budget.

### **2.7.2 SQA Examination Fees**

The budget allocation is in respect of examination fees paid to the Scottish Qualifications Authority for entry charges to National Qualifications, Higher National Qualifications and Scottish Vocational Qualifications.

### **2.7.3 Parent Council- Schools (Parental Involvement) Act 2006**

The budget allocation is fully devolved and is only given to those schools which have a Parent Council. The budget allocated for Secondary schools is £640 per annum and is used to cover expenditure such as clerk's expenses, travel expenses, training expenses and admin expenses.

### **2.7.4 Text Alert System**

The annual subscription is financed by the council from the non-devolved budget for education, and schools will meet the cost of any usage from their devolved budget:

- Schools will incur a quarterly charge for all their Groupcall SMS costs.
- The appropriate and cost effective use of Groupcall is within the schools control.
- It is the school's responsibility for collecting and maintaining up to date parent/carers email addresses.
- Schools must consider the length of every Groupcall message, as messages longer than 162 characters attract additional costs.
- It is advisable that Groupcall messaging remains a management or school office (under Head Teacher direction) function only.

### **2.7.5 Property Costs**

All routine repairs and/or maintenance and repair work must be reported through the WLC Helpdesk (for PPP1 and PPP3 school repairs should be reported through the relevant Helpdesk).

Should a school require any building improvement works out with then this must be discussed with the property maintenance inspector or PPP monitoring Officer prior to the submission of a Project Initiation Sheet.

### **2.7.6 Online Payments**

Parent/carers are now able to pay for school meals, trips etc. through the Ipayimpact system and they should be encouraged to do so by schools in order to reduce the risks for pupils and staff in relation to cash handling.

### **2.7.7 Purchase Cards**

Guidance on the purpose and use of purchase cards within schools is provided in Appendix C.

### **2.7.8 VAT Guidance – Education Income**

Guidance on the VAT treatment in in relation to education income is provided in Appendix D.

## SECTION 3: AREAS OF EXPENDITURE TO BE DEVOLVED

### 3.1 Introduction

Whilst headteachers are given maximum flexibility over their budgets, there are areas of expenditure that are generally not considered suitable for devolution. The reasons for this may include, but are not limited to: areas outside the influence of a headteacher, areas that are too bureaucratic, have unacceptable levels of risk, benefit from economies of scale, require professional expertise, are complex by their nature.

### 3.2 Devolved Expenditure

- Staffing Costs (with the exception of this listed in 3.3 Non-Devolved Expenditure and subject to the requirement set out in Paragraph 2.2.1 that all decisions are financially sustainable).
- Training
- Reactive Repairs and Self Funded Improvements
- Refuse Disposal
- Cleaning Supplies
- Grounds Maintenance
- Vehicle Costs such as employee car allowances, maintenance, fuel and hire
- Equipment and Furniture including Repairs and Hire/Rental
- Nursery School Snacks
- Printing and Stationery
- Education Supplies
- Parent Council
- Purchase of Computer Hardware and Software
- Mobile Phone Charges
- Software Licences

### 3.3 Non-Devolved Expenditure

- Property Maintenance
- Sickness Absence Cover as per the manual
- Supply cover for Parental Leave as per the manual
- Clothing, uniforms and laundry
- Trade Waste Uplift
- Postage

### 3.4 Income

Please note that income from use of school premises is non-devolved and collected centrally.

## SECTION 4: GENERAL INFORMATION ON DEVOLVED SCHOOL MANAGEMENT

### 4.1 Financial Regulations

In order to conduct its business efficiently, the council must have sound financial management policies that are strictly adhered to. The requirement for sound financial management is further reinforced by the Local Government (Scotland) Act 1973 that stipulates that every local authority must make arrangements for the proper administration of its financial affairs.

The council's financial regulations provide the framework for managing the council's financial affairs. They apply to every member and officer of the council and everyone acting on its behalf. Additionally, all members and officers have a general responsibility for ensuring that the use of the council's resources is legal, properly authorised and provides value for money.

For these reasons the council has established financial regulations and supporting procedures such as this DSM Scheme of Delegation. The DSM Scheme of Delegation provides a transparent, fair and equitable distribution of resources to schools.

Further information can be found here:

[https://westlothian.gov.uk/media/14557/Financial-Regulations/pdf/Standing\\_Orders\\_-\\_Financial\\_Regulations\\_Update\\_Sep\\_2021.pdf?m=637666909604730000](https://westlothian.gov.uk/media/14557/Financial-Regulations/pdf/Standing_Orders_-_Financial_Regulations_Update_Sep_2021.pdf?m=637666909604730000)

### 4.2 Best Value Principles

Headteachers should be aware of the council's Best Value Framework, approved at Council Executive on 10 June 2014. The Framework applies to all council services and to general fund and housing revenue and general services and housing capital. There are five key themes in relation to how the council delivers Best Value, these are:

1. Financial Management
2. Challenge and Improvement
3. Performance Management
4. Governance & Accountability
5. Procurement.

The Framework demonstrates how Best Value is achieved via the WLAM process for services, works, goods and materials delivered in-house and how Best Value is achieved via the procurement process for services, works, goods and materials which are put out to tender.

The Best Value Framework applies to all council services in all their operations and activities – it imposes corporate responsibilities.

Further information can be found here:

[West Lothian Council Committee Information - Submission Documents](#)



### 4.3 Local Authority Commitment to Devolved School Management

West Lothian Council is committed to the principles of Devolved School Management, the Headteachers' Charter, and the aims of empowerment of funding.

In an empowered system, headteachers, schools and the Local Authority are partners, each contributing and supporting each other and respecting the different role each plays. The council recognises that value is added by enabling key decisions to be made by those who are closest to the educational experience of children and young people. Decision making about funding that affects the school should sit, therefore, at school level unless there is a compelling reason for this not to be the case (see section 3). The headteacher is accountable and responsible for decisions that should be made in consultation with pupils, parents, staff and the wider community.

The Headteachers' Charter advises that in an empowered system, headteachers should lead learning communities to determine the most appropriate approach in the areas of leading learning and teaching, empowering the learning community and making best use of the school's resources.

In relation to making **best use of the school's resources**, headteachers are required to:

- Manage a delegated budget in a fair, equitable and transparent way, supported by the Local Authority and a fair, transparent and equitable local Devolved School Management Scheme.
- Deploy the school's budget in accordance with best value principles and Local Authority procurement arrangements, with appropriate support and guidance from their Local Authority.
- Play an active role in designing and reviewing recruitment and staffing approaches, both for their own school(s) and for the wider Authority.
- Be empowered to design a staffing structure which best supports the school's curriculum and leadership requirements, working within their delegated staffing budget and supported by their Local Authority and Scottish Negotiating Committee for Teachers (SNCT) / Local Negotiating Committee for Teachers (LNCT) agreements and guidance.
- Be integral to the appointment of staff in accordance with the best interests of children and young people, and work in partnership with the Local Authority to ensure good practice in recruitment and appointments, in line with SNCT/LNCT agreements and guidance.
- Work in partnership with the Local Authority, and within clearly defined roles, responsibilities and accountabilities, to ensure a highly professional school team is built and sustained to meet the needs of the learning community.

The council recognises that in relation to DSM the functions and roles undertaken within an empowered school system are not restricted to headteachers. Although the role of headteacher is identified throughout, shared and distributed leadership means that other staff members or groups may undertake an area or aspect of DSM. An empowered school system means that all teachers are empowered and have meaningful input to decisions about school funding. This manual supports distributed leadership, collaboration and consultation whilst recognising that ultimately the accountability and responsibility will reside with the headteacher as the leader of their school, supported by the Local Authority.

### 4.4 School Expenditure Within Wider Strategic Planning

School Expenditure is considered as part of the Council's wider Financial Strategy. West Lothian Council takes a strategic approach to financial and corporate planning which is consistent with the recommendations of the Accounts Commission, Audit Scotland and CIPFA who all emphasise the need for public bodies to focus on their medium to long term financial sustainability.

A 'golden thread' links school planning to the wider strategic planning of the Council. School priorities are linked to the Council's Raising Attainment Strategy and the National Improvement Framework Plan, which, in turn, reflect the priorities of the Council's Corporate Plan and the

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Community Planning Partnership's Local Outcome Improvement Plan, as well as the Education Services' Management Plan.

### **4.5 Scottish Negotiating Committee for Teachers and Local Negotiating Committees for Teachers Agreements**

Head Teachers are required to operate within the agreed SNCT terms and conditions for all staff who come under this scheme. The SNCT handbook is available: <http://www.snct.org.uk>.

### **4.6 Publication Availability and Review of the Scheme**

The DSM scheme will be subject to 3-yearly review involving stakeholders and a peer Local Authority if appropriate and will be published following Committee approval of the scheme.

The DSM scheme and summary document will be published on the West Lothian Council website with a link provided on all school websites.

### **4.7 Available Training**

As part of the budgetary control process, an ongoing programme of training is provided by the Financial Management Unit (FMU) for budget holders, Business Support Managers and Resource Officers.

Induction training is provided for all new budget holders. There will be consultation between FMU and services to determine training needs and FMU staff will provide other training and additional support based on an assessment of training requirements. Budget holders identifying training requirements should contact FMU to discuss in the first instance.

### **4.8 Consultation and Engagement**

West Lothian Council adopts a collegiate approach to setting policy and procedures, including the Devolved School Management Scheme. The Devolved School Management Scheme, and the principles which underpin it, have been informed by discussion with Headteachers and the Local Negotiating Committee for Teachers, and the West Lothian Parent Council Forum.

Headteachers will consult with staff, parent councils, pupils and the wider community, including the application of the Devolved School Management Scheme where appropriate, through the established mechanisms for consultation and engagement.

### **4.9 Transparency**

The Devolved School Management Scheme, and the principles which underpin it, have been subject to a process of consultation and engagement. The Scheme has been scrutinised by the Education Policy Development and Scrutiny Panel, and agreed by the Education Executive.

The operation of the Devolved School Management Scheme is subject to regular review, informed by the ongoing dialogue between schools, central education services and the Financial Management Unit on the operation of the Scheme. The operation of the Scheme is scrutinised by the Local Negotiating Committee for Teachers.

The Devolved School Management Scheme is published electronically along with information on individual schools and the policies and procedures they follow.

### **4.10 Local Priorities**

The Local Priorities to be supported and addressed by schools through their application of the Devolved School Management Scheme are set out in:

## **DATA LABEL: INTERNAL – COUNCIL WIDE**

- School Improvement Plans
- The Raising Attainment Strategy
- The National Improvement Framework Plan
- Education Services' Management Plan
- West Lothian Corporate Plan
- West Lothian Community Planning Partnership Local Outcome Improvement Plan

Local Authority decisions about education spending are expected to be made in a collegiate and transparent way, paying due regard to their wider responsibilities, including Getting it Right for Every Child (GIRFEC) and the role of Local Authorities as Corporate Parents.

### **4.11 Professional Support**

Professional Support will be provided to each school to assist the Head Teacher and including a designated Business Support Manager or Resource Officer and support from West Lothian Council's:

- Finance and Property Services
- Operational Services
- Corporate Services

Contact details can be found on the council's intranet site.

## APPENDIX A

### Imprest Account

#### 1. Purpose of Account

Each educational establishment holds an Imprest account for petty expenditure items. The Imprest account enables units to make petty cash purchases, meet incidental expenses and to finance exceptional items which cannot be readily processed through PECOS or Purchase Cards. The Imprest balance held at each establishment is determined by the needs of the establishment and is generally set at two months usage of cash. It should be noted that any interest gained in this account should be transferred into the school fund.

The Imprest account should neither be used as a substitute for PECOS, nor to finance payments such as travel and subsistence expenses that must be processed through payroll. Employees should not purchase goods on behalf of the establishment through personal accounts and be reimbursed from the Imprest account. An employee incurring incidental expenditure is required to retain receipts and submit these for reimbursement via HR. Failure to follow appropriate procedures can leave the authority liable to severe penalties from HMRC.

#### 2. Operation of the Account

Dual signatories are required to authorise expenditure from the account. Any changes to the bank details or authorised signatories list must be arranged through the Financial Management Unit who will supply the appropriate mandate form upon request.

All expenditure must be recorded in local records, an Excel spreadsheet in a recommended format is available from the FMU, and receipts obtained to support each item of expenditure. Reimbursement claims should be submitted to the FMU on a regular basis and the account reconciled to bank records and the approved Imprest limit.

Providing proper procedures are followed, the authority is able to reclaim VAT on related expenditure items, which allows schools to benefit from the net purchase price. Where expenditure includes VAT, the gross and net amounts should be entered on the local system along with the appropriate VAT category. When reimbursements are made to the Financial Management Unit, the appropriate entries will be made to the financial ledger. Detailed VAT guidance is available in Appendix D.

Petty cash claims must be authorised by an authorised signatory prior to reimbursement. Petty cash claims will be subject to review by Internal Audit and FMU staff. Officers must not borrow or lend petty cash to top up another Imprest or any other bank account, including the school fund.

#### 3. VAT

As a general guide, VAT categories are as follows:

Standard Rated	VAT 20%	e.g. stationery, petrol
Lower Rated	VAT 5%	e.g. electricity
Zero Rated	VAT 0%	e.g. books, bus fares
Exempt	VAT not chargeable	e.g. postages

Receipts should be obtained for all items of expenditure. Where expenditure has included VAT, the relevant amount may be recovered if receipts comply with VAT requirements. If shopping, for example at a supermarket, a VAT receipt must be requested to ensure that the VAT element is separately disclosed. If a VAT receipt has not been obtained, the VAT element cannot be recovered.

## DATA LABEL: INTERNAL – COUNCIL WIDE

With regard to items in excess of £250, VAT receipts must detail:

- Invoice number
- Date of invoice/supply date/tax point
- Name, address and VAT number of supplier
- Name and address of customer (educational establishment)
- Description, unit price and quantity of supply
- Net amount charged
- VAT Rate
- Amount of VAT charged
- Rate of discount (if applicable)

With regards to invoices less than £250, VAT receipts must detail:

- Name, address and VAT number of supplier
- Supply date
- Description of goods /services
- Total amount charged (including VAT)
- VAT Rate

### 4. Reimbursement Claims

Reimbursement claims should be made to the Financial Management Unit on a regular basis and at least once per quarter. Receipts do not require to be forwarded to the Financial Management Unit, but do require to be retained locally at the educational establishment. Receipts **must be securely filed, cross referenced to accounting records and retained for six years** in order to comply with HM Revenue and Custom requirements. Reimbursement is made directly by BACS to the unit on receipt of the reimbursement claim.

### 5. Independent Reconciliations

To ensure that monies are independently monitored, in line with audit recommendations, reconciliations should be performed regularly by a person out with the daily operation of the account. Reconciliations should be prepared to a standard format and signed on completion.

The suggest format for preparing Imprest account reconciliations is as follows:

Balance per bank statement dated:

Add: Outstanding reimbursements or lodgements

Less: Outstanding cheques

Revised Bank Balance

Add cash in hand

Add expenditure not yet claimed

Total Imprest (A)

Approved Imprest Balance (B)

Difference to be investigated (A-B)

## APPENDIX B

### Teachers Absence Cover

#### 1 Definition of Absence

- 1.1 Short term absence is defined as absences up to and including 17 working days. All absence cover during the first 17 working days must be funded by the school from its devolved resources, irrespective of the number of days worked per week.
- 1.2 Long Term absence is defined as absences covering 18 working days or more. In circumstances where a member of teaching staff is absent for more than 17 working days cover will be funded from the centrally funded absence cover budget from day 18, irrespective of the number of days worked per week.
- 1.3 From 1 April 2014, when the duration of the absence covered by a teacher is less than two days, supply teachers will receive re-numeration at salary scale point 1 and will have restricted duties and a shorter working day of 5 hours including RCCT.
- 1.4 If more than one teacher is engaged to cover a period of absence, then the duration of the period covered by each teacher must be assessed with regard to the 2 day or less salary condition.

#### 2 Costs incurred during Employee Absence

- 2.1 Where a member of staff is absent for a cumulative period of less than six months in a rolling twelve month period, the employee will be in receipt of full pay. Where the level of absence reaches the equivalent of six months cumulative absence within a rolling twelve month period, the employee will be in receipt of half pay. After a further six month absence period the employee will have exhausted any entitlement to pay.
- 2.2 Full employee costs are incurred until cumulative absence levels reach the point where an employee drops to half pay or no pay entitlement.
- 2.3 Different arrangements apply in relation to absence during maternity and paternity leave. In such circumstances, an individual's salary is based on the appropriate arrangements for maternity and paternity pay.

#### 3. Cover Arrangements: Class teacher

- 3.1 During a short term absence, the school incur the cost of the substantive post and also cost of the supply cover from its devolved budget.
- 3.2 When implementing cover arrangements care should be taken to ensure that the correct contract is used for teachers employed to cover absences with duration of less than 5 days. Full guidance is available from HR including short term absence cover pro forma contracts.
- 3.3 In circumstances where a class teacher is on long term absence and a supply teacher comes in to cover, the supply teacher should be charged to the non-devolved budget and the teacher off sick should continue to be charged to the school.
- 3.4 There is no facility to bank days where a school cannot obtain appropriate cover.

#### 4 Cover Arrangements: Promoted teacher

- 4.1 During a short term absence, the school should continue to record the promoted teacher and also cost of the supply cover.
- 4.2 In circumstances where a promoted member of staff is off long term sick and a supply teacher comes in to cover, the Principal Teacher (or other staff member) should continue to be charged to the school as a permanent member of staff. Supply cover costs should be charged to the non-devolved budget in Education. This arrangement is in accordance with actual costs incurred.
- 4.3 Where the school makes an acting up appointment, for example a class teacher that acts up to a Principal Teacher and a supply teacher covers the basic teaching post, the acting up allowance and the supply teacher costs should both be charged to the non-devolved budget. The sick Principal Teacher should continue to be charged to the school as a permanent member of staff. The additional costs incurred as a result of the acting up appointment and the appropriate cover costs are therefore financed from non-devolved budget within Education.

#### 5. Cover arrangements in excess of six months absence

- 5.1 Where the absence exceeds the cumulative six month or twelve month threshold and the employee is in receipt of half pay or exhausts their entitlement to pay, the recording arrangements differ. A saving is realised in respect of the absent member of staff that requires to be offset against the additional costs incurred.
- 5.2 When the permanent member of staff is in receipt of half pay, they should be charged 50% to the devolved school budget and 50% to the non-devolved budget in Education. The supply teacher should then also be charged 50% to the school and 50% non-devolved. Note, the school will always be charged one salary. Any acting up allowance should also be equally split between devolved and non-devolved resources.
- 5.3 When an individual has exhausted their entitlement to pay, they should be a non-devolved cost and be replaced with person on supply cover. The acting up allowance should be charged 100% to the school devolved resources.

#### 6. Cover for Parental Leave

- 6.1 Where a teacher goes on maternity or paternity leave, the school will meet the cost of any cover required from its devolved budget and the non-devolved resources within the Education budget will meet the associated cost of maternity or paternity pay.
- 6.2 The substantive post should be charged against non-devolved resources for the full leave period and supply cover costs charged to the school.
- 6.3 If the teacher returning from maternity leave uses accrued leave to extend their period of absence then the cost will continue to be funded from non-devolved resources, commencing with the return to pay date and ending on the return to school date for term time days. Any supply cost incurred by the school during the accrued leave period will be funded by the school from its devolved budget.
- 6.4 Cost associated with accrued leave are monitored centrally and once the teacher completes their period of accrued leave the cost of the accrued leave period will be transferred to cost centre 30588. The ABSM is not required to process the journal entry to transfer the costs.
- 6.5 **Where the school and the teacher agree to a phased return to work using accrued leave or agree term time leave that exceeds the balance of accrued leave available during term time then both the cost of the absent teacher and any supply cost incurred will be borne by the schools devolved budget.**
- 6.6 To determine the split between term time and paid accrued leave please consult the Accrued Leave Calculator issued annually to HT's and ABSM's.

**7. Keeping in Touch Days**

- 7.1 During a period of maternity leave a teacher may return to school and be paid to “Keep in Touch” without terminating their maternity leave. A maximum of 10 “Keeping in Touch” days may be used by the teacher during maternity leave at the discretion of the Head teacher. All costs incurred are charged to the school devolved budget.

**8. Supernumerary Staff & Exceptional Circumstances**

- 8.1 These exceptional posts do not form part of a school’s basic teaching compliment. It is therefore at a school’s discretion as to whether they wish to provide absence cover and they are responsible for meeting supply cover costs.
- 8.2 The exception above would be where the promoted element in a post is supernumerary. In terms of absence cover, the basic teaching element would be financed in accordance with the arrangements outlined for a class teacher.
- 8.3 Exceptional circumstances – such as suspensions – would require to be separately agreed by the Head of Service on an individual basis.



## APPENDIX C

### Purchase Cards

#### 1. Purpose of Purchase Cards

The council promotes the use of purchase cards over petty cash for control and efficiency purposes as the purchase card process is less administrative and reduces the risk of holding cash held across the council.

Purchase cards should be used to facilitate low value purchases, normally with a value below £1,000. In addition, purchase cards can, with the prior written agreement of the Procurement Manager, be used in circumstances where the use of PECOS is impractical, e.g. School kitchen.

#### 2. Allowed Usage

Cards must not be used for personal expenditure. If cardholders are found to be making personal expenditure claims via their purchase card, their card will be cancelled and the cardholder may be subject to disciplinary proceedings.

Purchase cards must NOT be used for hospitality or subsistence payments as this type of expenditure must be processed via HR Pay and Reward to comply with taxation regulations. Cardholders using their cards for hospitality or subsistence will be required to repay the council in full and arrange for reimbursement through HR Pay and Reward.

#### 3. Administration of Purchase Cards

Purchase cards are administered by the Financial Management Unit (FMU). All cardholders and authorisers will receive a user guide which will cover the use of the Smart Data Online system for making and authorising purchase card returns.

As with PECOS transactions all purchases made for the school fund will require that the council be reimbursed with a cheque from the school fund detailing the ledger account to be credited and a description of the original transaction.

A full list of purchase card procedures, forms and user guides are available via the council's intranet site under Finance Services/Payment Procedures/Purchase card system.

APPENDIX D

Education Income: VAT Guidance – General Schools

FACILITY	DESCRIPTION	CODE	VAT	NOTE
Swimming	<ul style="list-style-type: none"> <li>▪ Junior</li> <li>▪ Adult</li> <li>▪ Pool Hire</li> </ul>	585000	S/E S/E S/E	) ) 1+2 )
Other Sports	<ul style="list-style-type: none"> <li>▪ Badminton Adult/Junior</li> <li>▪ Fitness Room</li> <li>▪ All Weather Pitch Adult/Junior</li> <li>▪ Grass Pitch Adult/Junior</li> <li>▪ Games Hall Adult/Junior</li> <li>▪ Gymnasium Adult/Junior</li> </ul>	585100	S/E S/E S/E S/E S/E S/E	) ) ) 1+2 ) ) )
Sauna	<ul style="list-style-type: none"> <li>▪ Sauna</li> <li>▪ Sun bed</li> </ul>	586000	S S	
Sundry Sales	<ul style="list-style-type: none"> <li>▪ Swimming Goggles</li> <li>▪ Armbands etc.</li> </ul>	563000	S S	
Sports Equipment Hire	<ul style="list-style-type: none"> <li>▪ Racquets</li> <li>▪ Footballs etc.</li> </ul>	581500	S / E S / E	6 6
Minibus Hires	<ul style="list-style-type: none"> <li>▪ Hire of minibus that seats 10 or more passengers with driver</li> <li>▪ Hire of self-drive minibus</li> </ul>	581900	Z S	
Under 5's Centre	<ul style="list-style-type: none"> <li>▪ Crèche</li> </ul>	585300	E	3
Room Hire	<ul style="list-style-type: none"> <li>▪ Use of premises</li> </ul>	581100	E	
Theatre & Cinema	<ul style="list-style-type: none"> <li>▪ Admissions</li> <li>▪ Room Hire</li> </ul>	585200	S E	
Photocopying	<ul style="list-style-type: none"> <li>▪ Income from photocopying</li> </ul>	574600	S	
Telephones	<ul style="list-style-type: none"> <li>▪ Public Coin Box</li> <li>▪ Private Calls</li> </ul>	590850	S S	
Vocational Courses	<ul style="list-style-type: none"> <li>▪ Provision of vocational courses with instruction</li> </ul>	587500	E	
Non-Vocational Courses	<ul style="list-style-type: none"> <li>▪ Provision of non-vocational courses with instruction</li> </ul>	587600	E	4
Cafeteria Sales	<ul style="list-style-type: none"> <li>▪ Pupils</li> <li>▪ Staff</li> <li>▪ Vending</li> <li>▪ Snack bar</li> </ul>	563100 564200 563400 564100	NB S S S	) ) 5 ) )

**S = STANDARD      NB = NON BUSINESS**  
**E = EXEMPT      Z = ZERO**

**Notes:**

- (1) Exempt for series of 10 or more lets to schools, clubs, associations, otherwise standard
- (2) Exempt where instruction or lessons are given
- (3) As long as registered under Children's Act 1989
- (4) Sports & recreational courses with instruction are exempt. Leisure courses e.g. Cake decorations are exempt assuming participants pay tuition fees.
- (5) Any catering / food sales to pupils will be non-business
- (6) If the equipment hire relates to an activity undertaken under instruction and the equipment is necessary for that activity to take place, then the hire of equipment is exempt. If hire for own use without instruction then standard rated.