

REDUNDANCY IN SCHOOLS - STANDARD OPERATING PROCEDURE

SUBJECT:	The Funding of Schools' Redundancies (Supplementing Administrative Procedure D-24)
WRITTEN BY:	Lisa Morgan-Danks, Head of Personnel, Children's Services Karen Cocker, Children's Services Accountancy
DATE:	19 November 2006
REVISED:	

To whom does the SOP apply?

- 1 This SOP applies to all community, voluntary controlled, voluntary aided and foundation schools and will be effective from **XXXXXXX.(to be agreed once decision sheet signed)**
to
- 2 It applies to all schools based staff although it must be recognised that Headteachers cannot be made redundant, due to the statutory nature of their role, unless for reasons of school closure/reorganisation which is dealt with in a separate document.

Consultation

- 3 The SOP has been agreed following consultation with Trade Unions, Professional Associations, Directorate Joint Consultative Committee, Teachers' Advisory Committee and Schools' Forum.

Purpose

- 4 It is mainly concerned with the **process for determining how a redundancy will be funded** and to provide information necessary to enable the Director of Children's Services to enact a dismissal due to redundancy. In certain circumstances a redundancy will give the employee access to their pension thereby incurring additional and ongoing costs.
- 5 This enactment will be informed by a recommendation from a Schools Redundancy Panel, comprising Headteacher representatives.
- 6 Readers should be aware that this SOP does not cover the **process** for redundancy under which there are a number of statutory requirements which must be followed by the governing body in question. These requirements are detailed in Administrative Procedure D-24.

Funding

- 7 The funding for school redundancies/premature retirements will be identified from a number of sources:

- 7.1 If the redundancy/premature retirement identifies recurrent revenue savings in a schools delegated budget equal to or greater than the cost, then the related costs can be funded by a permanent top slice from the ISB (Individual Schools Budget) and charged to the account ' Termination of Employment Costs'.

The School Finance (England) Regulations 2006 permit that where dismissal or premature retirement costs are incurred in securing the resignation of any person employed in a maintained school after April 2006 and the revenue savings that will be achieved will be equal to or greater than the costs incurred then the Termination of Employment Costs budget, line 1.5.10 of Section 52 budget statement, will relate; this includes immediate dismissal costs together with any ongoing costs associated with the redundancy/premature retirement.

This action must be approved by Schools Forum who are responsible for the Schools Budget funded by the DSG (Dedicated Schools Grant);

- 7.2 If the redundancy/premature retirement does not meet the 'self financing' criteria set out in 7.1 above or Schools Forum do not wish to approve the top slice of the ISB on a permanent basis then it will be necessary to establish a Redundancy/Premature Retirement Reserve Fund to cover the associated costs of the approved redundancy or premature retirement. This must be funded from the following sources:

- A topslice of the Dedicated Schools Grant, which funds the Schools Budget; and/or
- Accumulated year-end underspending of the Dedicated Schools Grant; and/or
- Residual reserves and balances which arise from the closure of schools or the claw back in accordance with the LMS scheme of financing; and/or
- Any other ad-hoc surplus balances arising from the operation of the Schools Budget.

The amount to be set aside within the fund will be set by the Directorate of Children's Services on recommendation from the Finance Directorate and must be with the approval of Schools Forum. This will be reviewed annually.

Schools Redundancy Panel

- 8 In order to obtain funding from the Schools Redundancy/Premature Retirement Fund, the Schools Redundancy Panel must be able to make a positive recommendation to the Directorate of Children's Services. This Panel must therefore be satisfied that the following guidance has been taken into account together with the professional advice attached to each application, using Appendix 1 of this Procedure.
- 9 The Panel must first be satisfied that the proposed redundancy is lawful and meets the statutory definition of a redundancy. This decision will be informed

through the professional advice and information provided using Appendix 1 of this Procedure.

Criteria for use by the Panel

- 10 Where a school is proposed for closure and all avenues of redeployment for school staff have been exhausted by Children's Services Personnel, then the panel would look upon the application favourably;
- 11 Where a school wishes to restructure its staff, and as a result of this restructure, the school will commit to engaging a redeployed person through a 'bumping' process, then the panel would look upon the application favourably;
- 12 Where a school wishes to restructure its staff, and as a result of this restructure, the school will not or cannot commit to engaging a redeployed person, then the panel would not look upon the application favourably;
- 13 Having used all available resources, where a school is unable to balance its delegated budget due to a current falling rolls scenario and the trend is projected to continue, then the panel would look favourably upon the application for support for voluntary redundancy/premature retirement;
- 14 Having used all available resources, where a school is unable to balance its budget due to factors other than a falling rolls scenario, then the panel would not look favourably upon the application for support for voluntary redundancy/premature retirement.
- 15 It must be noted that in the event of a premature retirement/voluntary redundancy, then any available resources must be used to stabilise staffing even if in the short term. In addition, prudent financial management must be demonstrated if an application for premature retirement/voluntary redundancy is to be supported.

Process

- 16 Once a potential redundancy situation has been identified, a cross divisional meeting must take place between:

- The Headteacher
- Representative from Governing body, as required
- The School Development Adviser
- Children's Services Finance
- Children's Services Personnel

- 17 The role of each party is as follows:

- 17.1 The Headteacher, Representative from Governing Body and School Development Adviser (SDA)

The Headteacher, Governor and SDA will report on the current staffing structure within the school and the budgetary situation which has

identified the need for potential redundancies. He/she will demonstrate how the school has arrived at the decision to consider redundancies, what alternatives to redundancy, if any, have been considered and why these are not achievable. He/she will also put forward suggestions to minimise either the number or effect of redundancies e.g. redeployment within school.

The information should be recorded in Appendix 1, Box A.

17.2 Children's Services Finance

The Children's Services Finance representative will comment upon the quality of financial management within the school and why the school is in the current position.

This representative will also validate the shortfall in funding and identify where possible, alternative funding or financial solutions which may be used to avoid the need for redundancies. This exercise will draw upon the multi-year budget forecast.

The information should be recorded in Appendix 1, Box B.

17.3 Children's Services Personnel

The Children's Services Personnel representative must be satisfied that there is a genuine redundancy situation in accordance with the legal definition.

This representative will also, where possible, suggest alternative ways in which potential redundancies can be avoided, which may not have been previously considered.

The information should be recorded in Appendix 1, Box C.

- 18 A copy of the completed proformas will be provided to the Headteacher and the recommendations will be discussed with the school.
- 19 If after considering the recommendations the Headteacher feels that a redundancy situation cannot be avoided or that a premature retirement is appropriate, then the request for funding should be submitted to the Schools Redundancy Panel for consideration.
- 20 Arrangements for the Panel to meet will be facilitated by the Children's Services Personnel Officer concerned. However, the SDA, Headteacher, Governor and Children's Services Finance representative will be available to make a verbal submission should this be required by the Panel.
- 21 The Children's Services Personnel Officer concerned will provide to the Panel a copy of the completed Appendix 1 of the SOP. This will include the professionals' recommendations as to whether the submissions meet any of the criteria set out

in paragraph 10-14.

- 22 The Panel will meet on an as and when required basis in response to the need to consider redundancy cases.
- 23 If the Schools' Redundancy Panel and therefore (usually) the Director of Children's Services agree that a redundancy situation cannot be avoided then the group, advised by the Children's Services Personnel Officer, will agree an action plan to include the issue of Section 188 notices, consultation, redeployment and the mechanism for progressing the redundancies.
- 24 It should be noted by schools that where the Schools' Redundancy Panel and therefore (usually) the Director of Children's Services is not satisfied that the school has followed due process as advised by the Directorate or is not satisfied that redundancies are necessary or that a premature retirement is appropriate, then it will **not** meet the costs of any redundancies, premature retirements, or legal claims arising from the same.
- 25 Should the individual Governing Body be dissatisfied with the decision and recommendation of the Schools' Redundancy Panel, the reasons for this should be submitted in writing to the Director who will consider these independently of the Panel.
- 26 A report will be provided to the Schools' Forum on an annual basis detailing the use of the budget.

Appendix

1

PRO-FORMA

VALIDATION OF SCHOOL REDUNDANCIES

BOX A For completion by the Headteacher **and** School Development Adviser

Please describe:

- either the structural or funding or other change which has led to the need for redundancies;
- what, if any, alternatives have been considered to avoid potential redundancies;
- what, if any, staff consultation has taken place to date and any suggestions arising from this; and
- the reasons for the adoption or dismissal of any of these suggestions.

Please note that Boxes B and C must also be completed by the relevant parties

Signed

.....

Headteacher

School Development Adviser

Name (Printed)

.....

Dated

.....

.....

BOX B – For completion by the Children's Services Finance representative:

Please confirm the funding circumstances (including actual figures) that have lead to these redundancies. Please also comment on any alternative financial management regime which could have reasonably been adopted by the school and that would have avoided the need for redundancies.

Please note that Box C must also be completed by the relevant party

Signed

.....

...

Children's Services Finance Representative

Name (Printed)

.....

Dated

.....

.....

BOX C – For completion by the Children's Services Personnel representative:

Please confirm that the proposed action meets the legal definitions for redundancies. Please also confirm that:

- Consultation has been carried out in accordance with legal requirements;
- Consultation feedback has been given serious consideration;
- Redeployment has been attempted/considered;
- Where possible, voluntary redundancy has been offered prior to considering compulsory redundancy; and
- Any other action that has been taken in order to avoid the proposed redundancies.

Signed

.....
...

Children's Services Personnel Representative

Name (Printed)

.....

Dated

.....

.....