Financial Control No.5a

Application for Approval of Redundancy Costs for Essential Redundancies

Kent County Council (KCC) approval to meet the cost of redundancies will only be given where the redundancies are necessary due to budget constraints. Costs for any other redundancy and early retirement (on redundancy grounds) must be met by the school.

To enable KCC to make an “in principle” decision, the school must meet the criteria stated in these guidelines, submit a completed application form and provide all necessary documentation as detailed, prior to starting any process.

Early approval “in principle” of any Local Authority funding is required and dependent on the school providing indicative redundancy and early release pension costs (if applicable) as part of the application.

Redundancy estimates should be provided/checked by the HR Connect Consultancy Team; either speak to your HR Connect consultant or email hradvisory@hrconnect.org.uk. Figures from Capita Personnel will also be accepted.

At this stage you should request cost only pension estimates via your payroll provider. If you use any provider other than HR Connect, you will need to ask them to complete a cost only pension estimate request form and return it to you for uploading to the pension portal; HR Connect will do this for you. No information will be released to individual staff members.

The school must also provide final confirmation of the actual redundancy and pension costs once known.

Definition of budget constraints:

* The school will go into deficit and remain in that position if there is no reduction in staffing costs.
* Reserves are reduced to a level which would result in the school not being sustainable in financial terms. An in-year deficit is not necessarily assessed as being a financial reason if this is caused by one off expenditure or if there is not a continuous trend of in-year deficits.

Exceptions for the Local Authority funding redundancy and/or early retirement:

The costs arising from redundancy/early retirement of school based staff may be funded centrally by the LA, in accordance with the relevant legislation. Exceptions to this are:

* Where the school is making staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
* If a school has decided to offer more generous terms than the authority’s policy, then it would be reasonable to charge the excess to the school
* If a school is otherwise acting outside the LA’s policy
* Where the school has excess surplus balances and no agreed plan to use these
* Where the school has failed to make reasonable attempts to redeploy ‘at risk’ staff within the school
* If the only cause of the revenue deficit is due to the school making a revenue contribution to capital. The only circumstances that this would be agreed would be if there was an outstanding capital loan and the amount contributed was equal to or less than the shortfall in the loan repayments
* Where staffing reductions arise from a deficit caused by factors within the school’s control. This could be demonstrated by a school that has previously submitted a Three-Year Budget Plan or monitoring which indicates management action is required in the next two years but makes decisions which contribute to the deficit. For example, appointing permanent staff or authorising a building project

Any criteria listed above is in addition to and not contradictory to Personnel requirements or the guidance given by HR Connect Consultancy. Personnel Service providers other than HR Connect Consultancy must also adhere to the criteria.

Early Retirement Pension Costs:

If the Application for Approval of Payment of Redundancy Costs is successful, any associated pension costs relating to early retirement will also be met by the LA. If the school receives an invoice for strain costs, it should not be paid but emailed to schoolsupport@theeducationpeople.org

Deadlines:

The redundancy process has very clearly defined deadlines therefore failure to submit all the required information could result in a delay for planned changes which in turn could lead to the school incurring additional costs. You must contact HR Connect Consultancy as soon as possible to ensure you can achieve the staff reductions within the required timeframe e.g., based on the 2019 or 2023 HR Connect Model Redundancy and Restructure Policy for Schools and Academies, in order to have a new structure in place from September the redundancy timeline must start by the middle of the previous February at the latest. You will need to have conversations with your HR Consultant ahead of this and you should ensure this policy has been adopted by the Governing Body in advance of starting the process.

This application must be submitted to the School Support Team prior to the start of the formal restructure process. It must contain indicative costs, which are to be borne by either the school or the LA, in relation to redundancy and early release pension costs (if applicable) for all potentially affected staff. NB: early release pension costs will only apply to support staff aged 55+ years at the date of termination.

If a retrospective Financial Control No.5a application is submitted to the LA, there is no guarantee that funding will be agreed, and schools may therefore need to bear any associated costs.

You will be notified of an “in principle” decision, to the Headteacher’s e-mail address within 20 school-working days of SFS receiving all the completed, necessary supporting documents.

Recovery of Funds:

For the two financial years after the effective date of the redundancy, the LA will consider whether the financial circumstances of the school have improved or if staffing costs increased post redundancies. If it is shown that the cost could have been borne by the school, the funding will be reclaimed and returned to the LA’s centrally held budget to allow other schools to access this funding.

Personnel Services:

If your school does not buy personnel services from HR Connect or Capita Personnel, the LA will need to verify and agree your redundancy calculations before reimbursing the agreed funding. This will be a chargeable service carried out by HR Connect Consultancy which you will need to arrange as soon as possible as late notification could result in a delay in funding being approved and advanced. Redundancy payments to members of staff must not be paid until the calculations have been verified by the HR Connect Consultancy Team.

HR Connect Consultancy Team contact details:

Telephone: 03301 249990

hradvisory@hrconnect.org.uk

Reviewing Budget information:

In order to provide an assurance that redundancies are necessary as a direct result of budgetary constraints, schools must produce a re-cast of their current budget plan, incorporating the latest monitoring forecast into year 1 of the plan. This should reflect the current staffing structure before the impact of any proposed redundancies.

To enable Schools Financial Services to assess and recommend an outcome on any Redundancy Funding application, all documents listed on page 6 are required.

Two of the documents requested are:

Point 3 Three Year Budget Plan prior to any staff changes or other savings

(Pre-Management Action)

Point 4 Revised Three Year Budget Plan showing all proposed savings, assuming KCC is paying the redundancy cost.

(Post-Management Action)

*Please refer to Appendix 1 for guidance in producing these budget plans.*

GDPR:

As a result of the GDPR regulations, we request that you grant express permission to Schools Financial Services to liaise and discuss with HR Connect Consultancy, any potential restructure with your school and associated redundancy costs, as without this we are unable to process your application.

All documents should be e-mailed to Schools Financial Services:

schoolsupport@theeducationpeople.org starting the subject line with ‘Support’.

APPLICATION FOR APPROVAL FOR PAYMENT OF REDUNDANCY COSTS IN A KENT MAINTAINED SCHOOL

The Governing Body of xxxxxxxxxx School wish to seek approval from the Local Authority for payment of Redundancy costs for Essential Redundancies.

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| --- | --- | --- |
| School Details: | DfE No: |  |
| Headteachers Name |  |
| Headteacher’s email address |  |
| Contact Details for queries: |
| Contact name(School Business Manager etc.) |  |
| Email address |  |
| Telephone number |  |
| Personnel Provider Details: |
| Name |  |
| Email address |  |
| Telephone number |  |
| Consultation start date |  |
| Has your HR Connect Consultant been contacted? (if applicable) |  |

This application must be signed below by the Head Teacher and three Governors on the Redundancy sub-committee:

|  |  |  |
| --- | --- | --- |
| ……………………………………….. | ………………………………... | …………………….. |
| Head Teacher name | Signature | Date |
| ……………………………………….. | ………………………..………. | …………………….. |
| Name……………………………………….. | Signature…………………………..……. | Date…………………….. |
| Name……………………………………….. | Signature………………………………... | Date…………………….. |
| Name | Signature | Date |

We enclose:

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| 1 | The completed Redundancy / Restructuring rationale (from page 7 which should evidence that the redundancy situation is due to budgetary constraints) |  |
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| 2 | Governing Body minutes where the budget constraints and possible actions have been discussed |  |
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| 3 | Three Year Budget Plan prior to any staff changes or any other savings (See Appendix 1). |  |
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| 4 | Revised Three Year Budget Plan showing all proposed savings (assuming KCC is paying the redundancy cost). (See Appendix 1). |  |
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| 5 | The School Budget Template in line with the last approved Budget |  |
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| 6 | The School Budget Template supporting the assumptions within the revised Three Year Plan (if there are any changes from the original 3YP) |  |
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| 7 | Latest Budget Monitoring Report |  |
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| 8 | Last approved staffing structure |  |
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| 9 | Proposed staffing structure |  |
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| 10 | Detailed staffing reports before management action (using BPS) |  |
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| 11 | Detailed staffing reports after management action (using BPS) |  |
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| 12 | If not using BPS – Staffing details before management action (excel format) |  |
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| 13 | If not using BPS – Staffing details after management action (excel format) |  |
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|  | Permission for access: |  |
| 14 | We give permission to SFS to access BPS for documents 3,4 10 and 11  |  |
|  | above (if applicable) |  |
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| 15 | We authorise SFS to have access to HR Connect Consultancy Team or Capita Personnel |  |
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| 16 | We grant SFS express permission to liaise with and discuss with  |  |
|  | HR Connect Consultancy Team any information necessary to process this application |  |
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|  Other: |  |
| 17 | We agree to provide any other information as and when required by the  |  |
|  | Local Authority |  |
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| 18 | We agree to follow the agreed redundancy process as set out in the |  |
|  | HRConnect Redundancy and Restructure Policy (Schools) |  |
|  |  |  |
| 19 | We agree to adopt the procedures for calculating the amount of any  |  |
|  | redundancy payment as set out in the Redundancy and Restructure Policy (Schools) |  |

# Redundancy / Restructuring Rationale

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| --- | --- |
| Date restructure to be effective from: |  |

## **Rationale for the need for staff reductions:**

Provide a summary to support the data provided, clearly showing the need to make staff reductions and the factors that have led to this situation

Current Position

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| --- |
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Impact on Future Curriculum / Operational / Organisational needs of the School

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Non-staff savings:

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# Temporary staffing information:

Provide details for temporary staff, as at September for Teaching staff and Support staff, for all three years.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Last yearFTE/hours | Current yearFTE/hours | Next yearFTE/hours |
| Temporary teaching staff |  |  |  |
| Temporary support staff |  |  |  |

# Proposed staff reductions:

Provide details of the numbers and categories of staff that may be dismissed as redundant.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Proposed effective date | Job title | Number of posts | Hours / FTE |
| Teaching Staff: |
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| Support Staff: |
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| Temporary contracts to be ceased: |
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Other proposed staff changes:

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# Pupil Numbers:

Enter the numbers on roll at the start of the last academic year, this academic year and the anticipated intake for the following years, ensuring that the applicable year is entered at the top of each column.

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| --- | --- | --- | --- | --- |
| Year group | Previous Academic Year | Current Academic Year | Next Academic Year | Following Academic year  |
| Year R |  |  |  |  |
| Year 1 |  |  |  |  |
| Year 2 |  |  |  |  |
| Year 3 |  |  |  |  |
| Year 4 |  |  |  |  |
| Year 5 |  |  |  |  |
| Year 6 |  |  |  |  |
| Year 7 |  |  |  |  |
| Year 8 |  |  |  |  |
| Year 9 |  |  |  |  |
| Year 10 |  |  |  |  |
| Year 11 |  |  |  |  |
| Total  |  |  |  |  |
| Post 16  |  |  |  |  |

Other factors affecting pupil numbers:

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| --- |
| Provide details of any factors that you believe may affect future numbers on roll or pupil intake numbers |

Avoidance Measures:

Provide details of any steps taken to avoid a potential redundancy situation

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# Proposed criteria for redundancy selection:

Provide details of the proposed selection method – e.g. audit / interview, etc.

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Appendix 1

Redundancy Application BPS Budget Forecast Guidance

(For Non-BPS users please contact School Financial Services for guidance)

To enable Schools Financial Services to assess and recommend an outcome on any Redundancy Funding application, all documents listed on page 6 of Financial Control No. 5a are required.

Two of the documents requested are:

Point 3 Three Year Budget Plan prior to any staff changes or other savings. (Pre Management Action)

Point 4 Revised Three Year Budget Plan showing all proposed savings, assuming KCC is paying the redundancy cost.

(Post Management Action)

Prior to starting this process, you will need to have completed the following:

* Updated your Kelsi Budget Template to include the latest pupil forecasts (actuals if Autumn census is available at the time of application), all other tabs updated to correlate with KCC confirmed funding amounts and revised forecasts where applicable.
* Updated the working copy Employee scenario with all staff changes since the budget was set, *excluding* the staff changes which relate to the management action.
* The very latest month’s budget monitoring figures by CFR code.
* Review of all other CFR budgets in the Other Income and Expenditure scenario for years 2 and 3 to check that they are still reasonable or need amending.

*At the time of application your original submitted budget forecast may not reflect your current position, as circumstances change throughout the year. Therefore, the following is required.*

Budget Recast Scenario 1 – Pre Management Action

An updated three year budget plan, incorporating the most recent monitoring forecast figures in Year 1. This should also include revised budget forecasts for years 2 and 3 which includes the latest funding and staffing forecasts. This budget forecast should include the staff to be made redundant or are leaving as part of the restructure process (no end dates to be entered). This will show the true financial position of the school should the management action not take place.

A procedure note is available to assist you in producing this budget recast within BPS and can be found in the Help and User Guidance called ‘Re-casting your Budget Forecast’.

During this process, name your new version scenarios using the following naming conventions:

* Pre&Post Management Action - Funding Scenario
* Pre&Post Management Action – Other I & E Scenario
* Pre Management Action – Employee Scenario

Combine the above 3 scenarios into a new Budget Forecast called ‘*Budget Forecast Pre Management Action’*. This Budget Forecast should show the school heading for a cumulative financial deficit in future years.

Budget Recast Scenario 2 - Post Management Action

An additional budget forecast should also be created which includes the restructure/management action within the employee scenario. This should show the financial impact of the restructure/redundancies.

To produce this:

Make a copy of the employee scenario included within the budget recast above and name this ‘Post Management Action Employee Scenario’.

Once this scenario has been created you will need to make the necessary adjustments to ensure this reflects the school’s new staffing structure. This may mean simply applying end dates to certain individuals that reflect the actual date of redundancy. Or you may need to reflect a new staffing structure from a given point, which may mean ending current roles and starting new roles for certain individuals.

You should then create a new Budget Forecast called *‘Budget Forecast Post Management Action’* using the following Scenarios:

* Pre&Post Management Action - Funding Scenario
* Pre&Post Management Action - Other I & E Scenario
* Post Management Action - Employee Scenario

Once you have completed both Budget Forecast Scenarios they should not be edited, nor marked as a ‘current’ budget forecast.

The ‘Budget Forecast Post Management Action’ should support the school’s decision to restructure and will indicate whether the agreed Management Action is enough to return the school to a balanced and sustainable position.

This will also assist the school in completing the Financial Control No. 5a application form.

These budget forecasts will be downloaded and used by the School Support Team to assess the Redundancy application.