



**BLACKBURN WITH DARWEN BOROUGH COUNCIL**

**POLICY FOR THE RESPONSIBILITY FOR  
REDUNDANCY AND EARLY RETIREMENT COSTS IN  
SCHOOLS**



## 1. Introduction

The Policy sets out the criteria for funding redundancy and early retirement costs in schools, with reference to the Scheme for Financing Schools guidance published by the Education and Skills Funding Agency (ESFA) and in consultation with Schools Forum.

## 2. Education Funding Agency Guidance

ESFA guidance states that:

- Premature retirement costs must be charged to the schools delegated budget.
- Redundancy costs must be charged to the Local Authority's budget, unless there is a good reason for them not to be centrally funded.

The guidance lists examples of what may be a good reason for exemptions to the above, for example *staffing reductions are not required to be made to address a licenced deficit, staffing reductions arise from a deficit caused by factors within the school's control, excess surplus balances in the school.*

## 3. Blackburn with Darwen Policy

Schools will fund all premature retirement, redundancy, settlement, voluntary severance and dismissal costs.

The Local Authority will consider funding redundancy costs only where the following conditions are met:

- The school has a significant falling rolls situation.
- Falling rolls are as a result of demographic changes which can be evidenced through modelling.
- The school has carried out appropriate and timely planning in respect of the restructure and has not allowed a school deficit to escalate with no action.
- The school has a deficit balance, or the costs of the redundancy would cause the school to go into deficit.
- The decision to make redundancies has been taken in close consultation with the Local Authority School Improvement, Finance and HR teams.



- The school has followed the principles as set out in the Local Authority's model redundancy policy.
- The school either buys into the Local Authority traded service for HR, or the Local Authority's HR team has, by other means, gained reasonable assurance that the model redundancy policy has been followed. This may require the HR team to carry out an audit, the cost of which must be covered by the school.
- The Local Authority has assurance that reasonable spending decisions are being taken in respect of the overall budget.
- The school can demonstrate all of the above through a detailed and robust business case.

The Local Authority will not consider funding redundancy and severance costs where:

- The school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
- The deficit has arisen for other reasons than a falling rolls situation, for example, pressures caused by formula changes or the impact of non-inflationary increases to budgets.
- The school cannot demonstrate that it has planned the restructure in a timely manner, and has allowed a school deficit to escalate with no action.
- The school has a surplus balance.
- The school has not taken Local Authority advice in respect of the restructure, including School Improvement, Finance and HR.
- The schools has not followed the principles as set out in the model redundancy policy.
- The school cannot provide assurance that the model redundancy policy has been followed (i.e. as part of the work covered by the Local Authority's traded service for HR to the school, or through an audit by the Local Authority's HR Team if this service is not in place).
- The school has incurred unreasonable expenditure in advance of the redundancy situation arising.
- The school cannot provide a detailed and robust business case.



#### **4. Costs Covered**

If the Local Authority fund the redundancy costs, based on the criteria above in Section 3, the amount paid will be in accordance with the statutory entitlement scale of payments except that the provisions relating to the maximum weekly wage will not apply.

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No enhancements or premature retirement costs will be funded.

#### **5. Application Process**

The school should submit a business case to the Local Authority setting out:

- Context
- Pupil number information
- Current budget position and budget projections
- Staffing ratios / curriculum details
- Staffing implications
- Consultation process (Unions, Staff, Local Authority)
- Estimated redundancy costs

#### **6. Decision Making**

Individual decisions in respect of payment of redundancy costs will be made on behalf of the Local Authority by the Director of HR, Legal and Governance and the Director of Finance and Customer Services, or the Chief Executive, in conjunction with the Director of Children's Services and Education.