



**North Northamptonshire Schools Forum: 4 November 2021**

**Agenda Item 12**

**2022-23 De-delegation : Redundancy Costs for Maintained Schools**

**Appendix J**

**1 Background**

- 1.1 The redundancy costs for maintained schools de-delegation enables maintained schools to collectively manage redundancy situations that are unaffordable for individual schools. It provides a means for maintained schools to access financial support when restructuring for the purpose of bringing their budget into balance.
- 1.2 This gives some protection to schools that need to adjust their staffing structures in order to manage their financial circumstances, potentially preventing them from incurring deficits and compounding their financial circumstances.

**2 Accessing the Fund**

- 2.1 Maintained Schools can submit a redundancy business case and a three year budget plan for before and after planned redundancies (in an agreed format available on asking) to NNC HR and NNC Finance. If specific conditions are met, financial support is authorised by both the Director of Children's Services and the Section 151 Officer (or their deputies).
- 2.2 The standard level of support provided is 25% of the cost of redundancy or greater if the resulting cost leaves the school in a deficit budget in the year purely as a result of the redundancy costs.
- 2.3 Detailed criteria for accessing the fund:
- a) Must be a maintained school
  - b) Restructure needed to bring school budget into balance within next year or across the 3 year business plan
  - c) Reserves not held that could cover cost of redundancies
  - d) The revised structure must balance the budget (or significant work must be in progress towards that end e.g. amalgamation)
  - e) Full year business plan before and after restructure must be provided in business case (in full excel format)
  - f) Estimate of cost must be provided in business case, including pension strain.

**3 Financial Position and Budget Requirement for 2022-23**

- 3.1 In 2021-22 budget setting the rate was reduced significantly from £5 in 2020-21 to £1.50 due to a large carry forward from 2020-21. However a number of significant restructures

are on the horizon as we come out of lockdown and we anticipate the current budget to be depleted.

**Table 1: 2021-22 Forecast Outturn Position on Redundancy De-delegation Budget**

Description	NCC 2019-20	NCC 2020-21	NNC 2021-22	NNC 2022-23
	£'000	£'000	£'000	£'000
Carry Forward	282	220	**153	166
De-delegation from Maintained Schools	27	124	13	71
Total Budget	309	344	166	237
Expenditure	89	66	***0	***166
Balance remaining	220	*338	166	71

\* Carry forward from NCC, \*\* carry forward proportion for NNC, \*\*\*Estimated

- 3.2 Although no redundancy business cases have been received so far in 2021-22, there are some significant restructures expected in the coming months. Some of these restructures involves significant numbers of staff in 2022-23.
- 3.3 As a consequence the LA are proposing the rate for the 2022-23 de-delegation for redundancy costs be increased to £8 per pupil for Maintained Schools for the provision of this service to continue. An estimate of the budget this will generate are shown in the table below.

**Table 2: Calculation of rate required for 2022-23**

Description	Total
Primary pupil numbers (Oct 2020 census basis)	8958
Total required budget estimate	circa £71K
Per pupil rate required	£8 per primary pupil

- 3.4 Maintained schools contributions determines the available budget. The budget pot can reduce during the year if maintained schools convert to academy in year.
- 3.5 As this funding is de-delegated from individual maintained school budgets any underspend at the end of 2022-23 would be ring-fenced and carried forward to use in future years as necessary.

#### **4 Next Steps**

- 4.1 Information on the redundancy de-delegation will be included in the schools consultation document for the 2022-23 budget setting process.
- 4.2 School Forum members will be asked to vote on whether the redundancy de-delegation should be continued with the suggested scheme at the rate of £8 per pupil, as outline above.

#### **5 Recommendations for Schools Forum**

- 5.1 Schools Forum is recommended to support the proposed de-delegation rate for redundancy funding for inclusion in the Schools Funding Consultation and to note that a vote will be required by Maintained School Members at the December's Schools Forum meeting.

## 6 Legal implications

6.1 [Schools Forum Powers and Responsibilities](#) outlines de-delegations voting requirements by maintained schools forum members.

Function	Local authority	Schools forum	DfE role
De-delegation for mainstream maintained schools for: <ul style="list-style-type: none"><li>contingencies</li><li>administration of free school meals</li><li>insurance</li><li>licences/subscriptions</li><li>staff costs – supply cover</li><li>support for minority ethnic pupils/underachieving groups</li><li>behaviour support services</li><li>library and museum services</li><li>School improvement</li></ul>	Proposes	Maintained primary and secondary school member representatives will decide for their phase. Middle schools are treated according to their deemed status	Will adjudicate where schools forum does not agree LA proposal

6.2 Detailed guidance can be found under Regulation 11(5) and 11(6) and Part 7 (68) of [The School and Early Years Finance \(England\) Regulations 2021](#)

(5) After the local authority has made a determination under paragraph (1) but before giving notice under paragraph (10), the authority may apply to its schools forum under regulation 12(1), or to the Secretary of State under regulation 12(2), for authorisation to redetermine schools' budget shares by removing any of the expenditure referred to in Part 6 (Items That May Be Removed From Maintained Schools' Budget Shares – Primary and Secondary Schools) of Schedule 2 from the budget shares of—

- (a) all primary schools other than nursery schools;
- (b) all secondary schools; or
- (c) all primary schools other than nursery schools, and all secondary schools,

where the expenditure is instead to be treated as if it were part of central expenditure.

(6) After the local authority has made a determination under paragraph (1) or (4) but before giving notice under paragraph (10), the authority may apply to its schools forum under regulation 12(1), or to the Secretary of State under regulation 12(2), for authorisation to redetermine schools' budget shares by removing any of the expenditure referred to in Part 7 (Items That May Be Removed From Maintained Schools' Budget Shares – Primary, Secondary, and Special Schools, and Pupil Referral Units) of Schedule 2 from the budget shares of the schools specified in paragraph (7), where the expenditure is instead to be treated as if it were part of central expenditure.

(7) For the purposes of paragraph (6), the specified schools are all primary schools other than nursery schools, all secondary schools, and all special schools and pupil referral units.

**68. Expenditure in relation to the authority's functions regarding the appointment or dismissal of employees in maintained schools.**

## 7 Risks

7.1 The main risk is that the budget is not sufficient to support all schools that are restructuring due to financial difficulties. This could be mitigated by agreeing to carry forward any overspends to the following year to fund from the budget set for 2023-24.

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