
Meeting: Central Bedfordshire Schools Forum
Date: 24 June 2013
Subject: Reimbursement of Maintained Schools Redundancy Payments
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To inform Schools Forum of changes to how redundancy payments are reimbursed by the Council for Foundation including Trust and Voluntarily Aided Schools. **This change does not apply to Community, Voluntarily Controlled or Special Schools where the Council is the employer.**

Advising Officer: Philip Howard, HR Business Partner, Children's Services
Contact Officer: Philip Howard, HR Business Partner, Children's Services
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

- Improved educational attainment.

Financial:

1. By implementing this change the reimbursement required from the Council's corporate redundancy reserve will be less.

Legal:

2. N/A

Risk Management:

3. N/A

Staffing (including Trades Unions):

4. N/A

Equalities/Human Rights:

5. To ensure that any decision does not unfairly discriminate, public authorities must be rigorous in reporting to Members the outcome of an equality impact assessment and the legal duties.

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness, and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision.

Public Health

7. N/A

Community Safety:

8. N/A

Sustainability:

9. N/A

Procurement:

10. N/A

RECOMMENDATION(S):

The Forum is asked:

1. **To note the information and ensure this is disseminated at school level.**
2. **To note that Foundation Schools including Trust Schools and VA Schools will each need to decide as individual employers whether they wish to 'top up' statutory redundancy payments so the calculation is based on an individuals actual weekly pay.**

Background

11. The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded.

The default position is that premature retirement costs must be charged to the schools delegated budget, whilst costs of redundancy pay must be charged to the Local Authorities (LA) budget.

However, redundancy costs will be delegated to a schools budget if:

- A school acts outside the authorities policy
- The LA believes the redundancy is not necessary
- The redundancy has arisen due to a deficit within the schools control
- A school has refused to engage with the LA's redeployment policy

This scheme applies to maintained schools which means the Council is liable for redundancy costs for Foundation and VA schools where it is not the employer.

12. From 1 April 2013 the Schools Finance regulations changed and the reimbursement of Schools redundancy pay costs must now be met from the Corporate Redundancy Reserve. This is in accordance with the provisions in the 2002 Education Act. The regulations are clear that a central fund which schools contribute to cannot be held for redundancy pay costs.

Changes to how redundancy payments are reimbursed by the Council in Foundation including Trust and VA Schools.

13. From 25 June 2013 for Foundation including Trust Schools and Voluntarily Aided (VA) Schools the Council will no longer reimburse redundancy pay based on calculation using actual weekly pay. For these schools any Redundancy payments made to staff will be reimbursed by the Council based on a calculation using statutory maximum weekly pay (currently this is set at a maximum of £430 per week) instead of actual weekly pay. **This will not apply for Community Schools, Special Schools or Voluntarily Controlled (VC) Schools where the Council is the employer. The redundancy pay calculation in these cases will continue to be based on actual weekly pay and will be fully reimbursed.**

For VA and Foundation schools this means the Council will reimburse redundancy calculations based on statutory redundancy pay and the school (as the employer) will need to decide if they wish to top this up, so the calculation is based on the person's actual weekly pay.

Foundation including Trust and VA Schools opting to 'top up' redundancy calculations so they are based on individuals actual weekly pay

14. If a school wishes to top up their redundancy payments so the calculations are based on the person's actual weekly pay this will need to be paid directly from their school budget as it is not possible to use Direct Schools Grant (DSG) funding for this purpose.
15. Foundation including Trust Schools and VA Schools are advised to consider their position on whether they want to 'top up' redundancy payments at a Governing Body meeting so a decision can be made and recorded.

Councils reasons for taking this decision

16. The Council has taken this decision as it cannot afford to maintain reimbursing redundancy payments based on actual weekly pay for all Maintained Schools. Neither is it right that the Council should fund discretionary payments to non – employees from its reserves.
17. This decision has been taken by the Children's Services Management Team.

Background Papers: (open to public inspection) None