

WIRRAL COUNCIL

SCHOOLS FORUM - 6th JULY 2011

REPORT OF INTERIM DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS REDUNDANCIES - UPDATE

1.0 EXECUTIVE SUMMARY

1.1 This report summarises the views of schools following a recent consultation exercise on redundancy costs, up-dates members on the current position for 2011-12 and makes recommendations in line with the outcome of the consultation.

2.0 BACKGROUND

2.1 Previous reports in April and January have outlined the scale of difficulties in schools which lead to a requirement to reduce staffing levels after a period of time. These include :

- school closure / merger / federation
- falling school rolls
- changes in school funding
- changes in school curriculum

The costs of redundancies arising from these decisions are significant. They can be funded from :-

- LEA budget for premature retirement costs
- A central Schools Budget (where the costs of redundancy are offset by greater efficiency).
- Individual Schools (this model seems to be increasingly adopted by other authorities).
- capitalisation (the Secretary of State may permit the capitalisation statutory redundancy costs).

The anticipated number and costs in 2011/12 are summarised below :-

	Number of Teachers	Number of Support Staff	Costs in 2011-12 £000
Primary	7	4	160
Secondary	45	27	84
TOTAL	52	31	1,000

The agreed budgets to fund these costs are :-

£000

LEA	375
School Budget (closures)	325
	700

The cost pressures (and budget shortfall) in this area therefore is in the region of £300,000.

3.0 SCHOOLS CONSULTATION

3.1 Following the last meeting a short questionnaire was sent to schools to seek views about redundancy costs.

Overall responses were received from :-

25	Primary Schools	(27%)
8	Secondary Schools	(40%)
3	Special Schools	(25%)

Q1. Should the Authority seek approval to capitalise costs?

Yes – 28 No – 3 Not Sure – 5

A number of comments were expressed that this is not a long term solution, and that it would have an impact on the overall capital resources for schools.

Q2. Should delegated school budgets be top sliced ?

Yes – 6 No – 28 Not Sure 4

A top slice (and increased) central budget was seen by most to be unfair, however decisions do have broader implications on all schools in the longer term.

- Q3. What contribution should be made by schools?
25% - 21 30% - 1 Not Sure 14

This question was asked in terms of if there is no additional top slice. Most comments indicated that 25% should be the maximum and recognized the additional financial difficulties that this would place on schools. A number of responses requested that this change is not introduced in 2011-12, since budgets have already been set.

- Q4. What other changes should be considered to make redundancies more affordable.

There were only a few responses to this question, which mostly identified a need for better planning.

- Q5. Which redundancy costs are the highest priority.

Falling Rolls	-	18
Budget Deficit	-	3
Curriculum Changes	-	7

Whilst falling rolls are seen by most as the urgent priority, there were a number of comments about planning.

- Q6. Is a redeployment scheme a reasonable response to this issue?
Yes – 26 No – 6 Not Sure 4

Many responses indicated that a voluntary scheme would be helpful where all vacancies are advertised in schools, subject to down sizing prior to an external advert, giving opportunities for all staff in schools to be considered.

4.0 LOCAL AUTHORITY SURVEY

- 4.1 North West Authorities have recently been surveyed about funding for redundancy costs. Whilst the initial findings show there continues to be a mixed position, there is a growing trend in neighbouring authorities to charge these costs to schools, particularly where schools receive the overall benefit.

5.0 RECOMMENDATIONS

- 5.1 Taking account of the views expressed in the consultation a schools contribution to redundancy / severance costs of 25% is introduced from 2012.
- 5.2 That a voluntary staff redeployment scheme is drawn up and introduced in schools from September 2011.

David Armstrong
Interim Director of Children's Services