



## Agenda Item

## Report Status

For information/note   
For consultation & views

Report to Haringey Schools Forum – date

**Report Title:** Report on the Restructure and Scrutiny Panel

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**Purpose:** To report to Schools Forum on the work of the Panel since its inception and to advise on a proposed to the criteria under which schools can approach the panel to agree any projected redundancy costs.

**Recommendations:** This report is for noting the work of the Restructure and Scrutiny Panel and the proposed revision to the criteria for paying redundancy costs.

## 1. Introduction

- 1.1. On 13 July 2017, Schools Forum considered a report asking for a proposed amendment to section 12 of the Financial Scheme of Delegation for Schools to reflect the need to, among other things:
  - appropriately and robustly challenge restructure proposals that have redundancy implications.
- 1.2. The report made a recommendation to:
  - agree amendments to section 12 of the Financial Scheme of Delegation to reflect increasing redundancy costs to the Local Authority (LA).
- 1.3. The primary legislation relating to redundancy in community and voluntary aided (VA) schools is set out in section 37 of the Education Act 2002 which makes clear that decision-making responsibility in securing the termination of employment contracts for teaching and

support staff in schools through redundancy lies with the governing body.

- 1.4. Consequently the Local Authority role in consideration of any matter of possible staff redundancy is only in making decisions about funding to support any such proposal.
- 1.5. Section 37 of the Act makes it clear that the costs incurred in respect of securing the dismissal of staff through redundancies shall not come from the school's delegated budget unless the Local Authority has good reason for refusing to fund all or part of the costs. 'Good reason', while not defined, can include that the LA believes that the proposed redundancy was unnecessary, efforts to secure redeployment were not adequately explored, where payments are too high or if the school **holds a surplus revenue budget which could reasonably be used to fund the additional costs.**

## 2. Panel outcomes

- 2.1. Since September 2017, a panel<sup>1</sup> of officers and Head teachers has convened monthly in term time to consider any restructure proposals from our community and VA schools. The panel is chaired by the Assistant Director for Schools and Learning and includes: two primary Head teachers, one secondary Head teacher, and Council officers from schools finance and HR.
- 2.2. Below (Table 1) is an example of how the panel has determined applications to the panel in the last two years.

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<sup>1</sup> <https://www.haringey.gov.uk/children-and-families/schools-and-education/schools-hr/restructure-and-scrutiny-panel>

**Table 1 - summary of applications to Panel (anonymised) for the last two years.**

Date	Schools	No of Schools	Redundancy Amount	Actual/Budgeted
16-Sep-19	Primary	1	59,532.84	Actual
09-Oct-19	Cancelled	No applications		
05-Nov-19	Cancelled	No applications		
11-Dec-19	Primary	1	TBC	
	Secondary	1	TBC	
05-Feb-20	Primary	1	66,926.92	
04-Mar-20	Primary	1	91,596.00	Actual
03-Jun-20	Cancelled	No applications		
15-Jul-20	Primary	2	35,823.53	Actual
			TBC	
11-Sep-20	Primary	4	12,362.48	Budgeted
			0.00	
			62,307.66	Budgeted
14-Oct-20	Primary	1	165,990.15	Budgeted
18-Nov-20	Primary	1	45,827.60	Budgeted
16-Dec-20	Primary	1	6,907.56	Budgeted
10-Feb-21	Primary	1	13,096.00	Budgeted
24-Mar-21	Primary	1	61,799.00	Budgeted
	Secondary	1	TBC	TBC
27-Apr-21	Primary	3	70,440.87	Budgeted
			72,609.59	Actual
			257,697.98	Budgeted
29-Jun-21	Primary	1	1,392.19	

2.3. Overall, the panel has worked well. It provides a positive platform for schools to bring their restructure proposals, to accept challenge and question, and to ensure that redundancies going through are a last resort when alternatives have been considered and where redundancy is needed to keep the school within budget for the coming years.

2.4. The panel has only refused a small number of applications (two) where it is clear either that the restructure doesn't provide any financial saving that is able to contribute towards keeping the school out of licensed deficit, or where there are reserves within the school to enable them to pay for any redundancy costs. It is likely that the criteria and requirements for submitting an application to the panel have ensured a high standard of applications from schools. Following review at the panel, several schools have also had to come back with stronger evidence or a revised approach before being accepted.

- 2.5. A survey will be dispatched to schools in November 2021 to ask them for their feedback about how they have found the Panel experience and to see if there are any aspects of the panel that can be fine-tuned while still operating within the remit as set out in the 2017 Forum report.

### **3. Future panel criteria**

- 3.1. There is one issue that has arisen in recent months, which requires the consideration of Forum in terms of the process for the Panel. As outlined above, where a school is proposing a restructure and the school holds a surplus revenue budget which could reasonably be used to fund the additional costs, the panel does not agree that the LA will fund the restructure costs. It is considered that there is capacity within the school to be able to fund the restructure and in doing so, get the school to a more sound financial position going forward.
- 3.2. However, we have had some instances where schools come to the Panel with a proposed restructure which is required to keep the school solvent but where there are reserves in the budget to fund the restructure. However, without the restructure, those reserves are projected to diminish very quickly and send the school into a licensed deficit position. There was historical evidence that the schools had been soundly managed financially and that all steps had been taken to ensure the schools remained financially healthy.
- 3.3. A report will be brought to the next Forum (December 2021) to consider an adjustment to the panel criteria to allow for schools to implement a restructure in advance of a move to a deficit budget (and therefore the need for a licensed deficit) and where such a move will allow the school to retain a positive budget going forward. In allowing such cases to go forward, the panel will want to be reassured of the following:
  - a) that the school can demonstrate historic sound financial planning;
  - b) that the restructure put forward is a last resort and that it is evidenced that the restructure will avoid a deficit position within the next 18 months.

### **4. Conclusion**

- 4.1. This report outlines the purpose and remit of the Restructure and Scrutiny Panel. It provides an overview of the last two years of Panel applications and indicative costs to the LA of redundancy costs.

- 4.2. This report outlines that a survey will be provided for all schools to seek views on the effectiveness of the panel process and how schools have found the experience.
- 4.3. The report also outlines that a recommendation will be brought to panel about the merit of allowing a slight change to the panel criteria, to allow those schools who need to restructure to avoid a deficit budget, are allowed to do so within 18 months of that projected deficit to allow them to stabilise their finances and ensure that any projected deficit is avoided.