

Schools Forum			
REPORT TITLE	Review of the Scheme of Delegation		
KEY DECISION	Yes	Item No.	8
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

The purpose of this report is to consider a revision to the Scheme of Delegation.

2. Recommendation

- The Forum agree to incorporate Appendix A into the Scheme of delegation to replace the current Annex E.

3. Background

Prior to the start of each financial year the Forum undertakes an annual review of the scheme of delegation and finance manual. This is to incorporate any legislative changes required and any changes that the Forum consider desirable to make. In response to a potential challenge to the current provision of Annex E (Financial support for redundancy, premature retirement costs and severance payments in schools) and an enquiry from the DfE following a complaint to the Secretary of State, it has become necessary to review the provision set out in Annex E as part of this process.

4. Redundancy

- 4.1 Lewisham's Scheme of Financial Delegation, in line with national requirements which have been in place for many years, gives schools the freedom to exercise choice over their spending plans. Like other local authorities, Lewisham Council can only impose regulations which are consistent with the need for accountability and control over the expenditure of public funds. The Scheme expects all schools to set a

balanced budget and to manage within the resources made available to them. This is specifically a duty on the governing body of the school.

- 4.2 The Lewisham Scheme of Delegation was last considered by the Schools Forum on the 16 March 2017 and sets out at Annex E (Attached – See Appendix A) “Financial support for redundancy, pre-mature retirement costs and severance payments in schools.” The Annex confirms that schools are responsible for managing their budgets both in the short term as well as the long term, which will include forecasting future levels of funding and developing plans to adjust expenditure accordingly.
- 4.3 The Council had the approach of automatically charging redundancy costs to school budgets unless it identified good reason to do otherwise. After discussions with the Department for Education and having sought legal advice we have revisited our procedures and will in the future determine whether the school or the local authority meet the costs of staff redundancies on a case by case basis - by ‘case’ we mean a separate decision on each individual redundancy.
- 4.4 The Appendix to this report shows a revised Annex E to the Scheme of Delegation incorporating this.
- 4.5 The process within the Local Authority has now been changed. When a school has a case of staff redundancy, for each member of staff being made redundant, the school will need to complete a form which needs to be signed off by the headteacher and chair of governors. This form includes a section where the school can make representations if they consider that the LA should meet the cost of redundancy. They must then send this form to the Local Authority and the Executive Director of Children and Young People and the Executive Director of Resources and Regeneration will review it, to ensure that the redundancy is genuine and to determine meets the cost of redundancy.

4.6 Decision process

As the Department for Education has requested that each redundancy case should be considered individually it is almost impossible to have a definitive set of criteria. Given that there is no 'central' budget for redundancy costs, it makes sense that the default position is that the school pays, but the LA nonetheless decides on a case by case basis whether this is an exceptional case where the LA should pay. A suitable form of words to describe the criteria around this would be that the LA should consider paying:

“When a school is affected by events that it has not and could not have predicted and are beyond its control and it had insufficient advance warning but finds it necessary to make a member of staff redundant, with no other reasonable means to manage those circumstances”.

While each case will be considered individually, the following are circumstances are more likely to mean a school will be expected to meet the costs

- if a school has decided to offer more generous terms than the Local Authority's
- if a school is acting outside the Local Authority policy and procedures
- where the staffing reductions arise from a deficit caused by factors within a school's control;
- where the school has high balances and no agreed plan to use these;
- where a school has not engaged with the Local Authority's redeployment policy

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