

**NORTHAMPTONSHIRE COUNTY COUNCIL
FINANCE AND RESOURCES SCRUTINY COMMITTEE**

July 2004

Report by Andrew Sortwell

Cabinet Member with responsibility for Schools: Councillor Olwen Loud

Subject: Northampton Review Redeployment

Advice: To note the Paper

1 Introduction

1.1 This paper sets out to summarise the steps which have been taken to redeploy teaching and support staff who were at risk of losing their posts as a result of the reorganisation of schools within Northampton.

2 Background

2.1 In February 2002 the County Council gave its unanimous support to the reorganisation of schools in Northampton in order to establish a 2 tier pattern of education within the town. These proposals included plans for 75 schools (47 lower, 19 middle and 9 upper) becoming 59 schools (50 primary and 9 secondary). One lower school was to close, four middle schools would become primary schools and 15 middle schools would close. This meant that all staff, both teaching and support in the closing schools, would need to be given support to find new posts in continuing schools. Those unable to secure new posts would have to be made redundant.

2.2 It was also agreed that all new posts generated, as a result of the reorganisation, in the continuing schools, would be made available to staff in closing schools. This was to be achieved by using a "Staffing Protocol", which was drawn up in consultation with all the headteachers across the town, the Teacher Unions and professional associations.

2.3 This was agreed by all Governing Bodies across the town.

3 Method

3.1 Since September 2002 Northampton Town Learning Partnership (NTLP), liaising with Human Resources, has been working very closely with all schools and employees at risk of redundancy in order to be able to secure alternative posts. There has been considerable success in applying the Northampton Protocol.

3.2 One of the challenges that we have faced is the "Local Management of Schools". Unlike the other areas of the Council, where we are able to redeploy staff at risk of redundancy, this is not the case with schools. School Governing Bodies have legal powers to appoint their own staff and, therefore, cannot be compelled to employ those at risk. Likewise we cannot force any employee to take up an appointment in another school.

- 3.3 A great number of steps have been taken to assist staff to secure posts within the continuing schools. These have included a full time NTLP member of staff coordinating and liaising with schools to ensure that posts arising from the reorganisation have been made known to staff seeking posts. (The number of staff working on this task has now increased to four.) This has been achieved by emailing available posts to schools, matching available staff to available posts and liaising with colleagues to ensure that they are taking up employment opportunities in the town. Any colleague at risk of redundancy is now also sent the weekly vacancy bulletin. Colleagues in NTLP and HR use the bulletin to target suitable applicants for posts which are listed. In addition one to one sessions have been offered by both HR and NTLP. Eleven "Bumped" redundancies have also been arranged which allow staff near to retirement to access their pension and any benefits, on condition that the school at which they teach appoint a teacher who is at risk of redundancy. This has worked across the county.
- 3.4 In addition a number of Support Staff conferences have been held, to explore a wide range of opportunities available to these categories of staff, both across the County Council and beyond.
- 3.5 Regular meetings have been held with both the teacher unions and professional associations and the support staff unions, so that there would be clear lines of communication and support.
- 3.6 The redundancy policy, applicable to schools, allows any employee over the age of 50 to access their pension. The redundancy payment is based on a statutory calculation and paid on actual weeks pay.
- 3.7 Any colleague, who is made redundant at 31st August 2004, can continue to apply for posts advertised. Any re-employment within a six week period of being made redundant would mean that redundancy compensation would have to be repaid, depending upon when the offer of the post was made.

4 Analysis

- 4.1 Over 900 teaching and support staff have been affected by the reorganisation.
- 4.2 73 members of teaching staff were redeployed to the lower schools, becoming primary schools from September 2004. Currently 298 members of teaching staff are due to move to new posts in September 2004. In addition 257 members of support staff have been redeployed to continuing schools.
- 4.3 Work is continuing to redeploy staff who have yet to obtain posts, in continuing town and county schools. 78 full time equivalent teachers have yet to be redeployed, plus 8 headteachers. Some 196 members of support staff have yet to be placed; many of these are staff employed for very few hours, in their local school, and who would experience mobility difficulties in moving to new posts.
- 4.4 At the moment each day sees additional colleagues being appointed and this is expected to continue until at least the end of this term.

5 Financial Implications

- 5.1 There are financial implications in relation to staff who do not secure posts by 31st August 2004. Based on the figures given above.

	Original Budget (2004/05) £	Revised Estimate £	Change £
Compensation loss of hours	50,000	50,000	0
Teacher Pensions	76,230	100,000	23,770
Redundancy Payments	1,488,700	1,965,000	476,300
Pension Lump Sum	0	436,000	436,000
Total	1,614,930	2,551,000	936,070

The financial position has not changed since the April 2004 revenue budget monitoring report. Plans to finance this position will be reported to Cabinet as part of the regular revenue monitoring report in August.

The estimated ongoing costs in 2005/06 and subsequent years include teachers protected salaries (£588K 05/06) and teachers pensions (£169K 05/06).

The cost of Local Government Pension Fund Payments (for those in the LG superannuation scheme, who are made redundant and are over 50) is still to be identified.

6 Advice

6.1 To note the report.

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Background Papers:	
Equal Opportunity implications:	
Environmental implications:	
Human Rights implications:	
Constituency Interest:	Northampton Town
This report is subject to an assessment under the Race Relations Act 1976	No

NORTHAMPTONSHIRE COUNTY COUNCIL

CABINET

11 September 2006

Report by the Director for Children and Young People and the Commercial Director

Cabinet Member with responsibility for Property: Councillor Bill Parker

Subject: Disposal of redundant school sites in Northampton as a result of the re-organisation of schools from 3 to 2 tier structure

Advice: 1) To note the way in which it is proposed to sell the surplus sites (i.e. by selling them all together in one package) as, by so doing, it will reduce the risk to NCC and maximise value for money.

2) To authorise The Leader of the Council to accept the tender that offers the Council best value for money.

1. Intended Outcome

The outcome will be to ensure that the sale of the sites meets the requirement of the Northampton Town Private Finance Initiative (PFI) Scheme's contract, whereby a series of capital bullet payments for specific sums are made on agreed dates. The total of all such payments is £65m. Beyond that figure the receipts generated will contribute to the Council's capital receipts and transaction costs.

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2. Relevant Council Strategic Goal and Priority

The Medium Term Plan vision is "one council focused on customers and community leadership priorities", to be achieved by the following strategic goals and priorities:

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Medium Term Plan and Strategic Goals		Council Priority
One organisation	Maximising influence and resources	The council lives within its means with its resources focussed on priorities, devolving where appropriate Services are provided at a cost to the taxpayer that increases each year by no more than the rate of inflation
One organisation	Sustaining an excellent organisation	

3. Background

The Northampton re-organisation of schools changed the educational structure in the town from a 3-tier pattern with 47 lower schools, 19 middle schools and 9 upper

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schools to a 2-tier pattern with 50 primary schools and 9 secondary schools. As a consequence, 16 schools were closed and a number of sites have been declared surplus. Some of these sites are currently being used to provide additional accommodation until all the building work which is planned, both as part of the PFI contract and other school building work schemes in the town, are completed.

Previous decisions by the Cabinet have confirmed that as a result of the sale of the sites, the first £65m of capital receipts will be used to meet the agreed capital bullet payments, the size and timing of which are specified in the PFI Project Agreement.

In addition to the commitments of the PFI contract, the receipts generated from these sales are also expected to contribute to:

- the provision of a sum to invest from which the interest generated will help to mitigate the cost of the unitary charge;
- the funding of capital expenditure associated with the Northampton schools reorganisation package – e.g. furniture in the PFI schools, works at Kingsthorpe Grove school; and
- the funding of the Council's overall Medium Term Capital Programme.

It is therefore of the utmost importance to both maximise, and get certainty in relation to, the amount of receipt received from the sales.

4. Consultation

- 4.1 As part of the Re-organisation of schools in Northampton, the Council undertook its largest ever consultation process, which resulted in the Council accepting all the proposals unanimously at its meeting on 18th & 19th February 2002. This was followed by the School Organisation Committee also accepting the proposals unanimously a few months later.
- 4.2 Subsequent reports to Cabinet received agreement to which sites would become surplus and could be offered for sale.

5. Proposal

- 5.1 The normal procedure for selling off surplus sites is to do so on a site-by-site basis, as each site becomes available and after outline planning permission has been obtained. However in order to reduce the risk of any potential delays due to such factors as delayed availability of the site or outline planning permission taking longer than expected, the proposal is that all the sites (with the possible exception of the ex-Cliftonville Middle School site) are sold off as one package following a tendering exercise. This would transfer risks of this nature to the private sector.
- 5.2 Market testing has suggested that this proposal is indeed worthwhile pursuing and that the outcome would be to achieve a capital sum in excess of what is required to satisfy the PFI contract plus the other commitments mentioned above.
- 5.3 The Leader of the Council is given the authority to accept the bid that offers the Council best value for money.

6. Timetable for Implementation

- 6.1 Tenders will be received in October 2006. The contract will be concluded by the beginning of December. The Leader of the Council, who will receive advice from both

the Commercial Director and the Head of Property Services, will then make the necessary the decision.

7. Alternative Options Considered

- 7.1 Alternative options would be to sell the sites on an individual basis or in discrete batches. Neither option negates any delays due to planning or the sites becoming available later than expected which would be a risk to the Council.
- 7.2 The price received from a bulk sale will reflect this transference of risk, but is still deemed to be better value due to the certainty achieved.

8. Financial Implications

- 8.1 If as a result the Council was unable to meet its legal obligation under the PFI to meet either the amount or timing of any of the bullet payments, then the Council would undertake additional prudential borrowing rather than incur the severe financial penalties, included in the Project Agreement.
- 8.2 Whilst the additional borrowing would only be a temporary measure, as the borrowing would be repaid when the receipts were eventually realised, there would still be an adverse effect on the Council's revenue budget. The full year revenue impact of £1m prudential borrowing is approximately £85k

9. Risk Management

- 9.1 The proposal put forward is to reduce the risk to the Council by selling the sites in one bundle and thus gaining the confidence that the payments to the Northampton Schools Ltd. can be completed on time, without the risk of incurring financial penalty of one kind or another, as outlined above.
- 9.2 Preliminary market testing has given the necessary reassurances that there will be sufficient interest and that the bids are likely to provide enough funding for the PFI contractual payments plus the additional commitments outlined.

10. List of Appendices

None

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Background Papers:	Cabinet report 23/06/2005 Cabinet report 27/01/2004 Cabinet report 24/06/2003
Is this report proposing a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Is this report proposing an amendment to the budget and/or policy and framework?	NO
Have the financial implications been	YES

cleared by the strategic finance manager (SFM)?	Name of SFM: Martin Pettit
Has the report been cleared by the relevant Director?	YES Name of Director: Michael Reid/ Andrew Sortwell
Has the relevant Cabinet Member been consulted?	YES Name of Cabinet Member: Councillor Parker
Have any legal implications been cleared by Legal Services?	N/A Name of solicitor:
Has an Equalities Impact Assessment been carried out in relation to this report?	NO
Environmental implications:	N/A
Human Rights implications:	N/A
Constituency Interest:	All