

All Headteachers

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Ask for Judith Sharkey  
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Our ref  
Your ref  
Date 18 October 2018

Dear Headteacher

## **REDUNDANCY AND EARLY RETIREMENT COSTS**

Earlier in the year the Department for Education published details of the changes that LAs were required to incorporate into their Schemes for Financing Schools. Locally, following consultation with schools, these changes were incorporated into an amended Derbyshire Scheme which was approved by the Schools Forum in June.

One of the DfE changes reflected the revised treatment of funding to meet the costs of dismissals which, for LA-maintained schools can be funded from monies top-sliced from their budgets, if the Schools Forum have approved such an arrangement.

As a result of the DfE's guidance I am writing to confirm the arrangements and responsibility for redundancy and early retirement costs for schools, which are effective with immediate effect. Redundancy costs for staff, be it part of a redundancy process for established employees or the ending of a fixed term contract (where the employee qualifies for a redundancy payment by virtue of having 2 years' continuous service), will be met centrally from the top-sliced funds referred to above. N.B. In future years, should the Forum decide not to top-slice funding, the costs would have to be met from the relevant school's individual budget share.

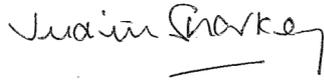
Early retirement costs, typically for those employees aged between 55 – 59, and any pension shortfall costs for those staff aged 60+ will be charged to the individual school's budget.

The position for academies is unchanged and they are responsible for their own redundancy and early retirement costs.

The above arrangements are essentially the default position; Annex B of the Derbyshire Scheme for Financing Schools indicates situations in which exceptions to the default position might be taken. Further information can be obtained from your School Support Finance patch officer.

Should you require further information regarding any HR implications on redundancy/restructuring processes or the dismissal procedure for ending fixed term contracts, please do not hesitate to contact the Schools' HR team on 01629 535734 or 01629 535719.

Yours sincerely

A handwritten signature in black ink that reads "Judith Sharkey". The signature is written in a cursive style and is positioned above a short horizontal line.

**Judith Sharkey**  
**HR Service Partner (Schools)**