

School staffing restructures: what you need to know

25 May 2023

How did we get here?

Schools' finances have rarely been as squeezed as they are presently, with many trusts facing considerable and unpredictable financial strain. It's clear that financial pressures upon trusts are attributable in large part to staff pay, with staffing costs making up the majority of school budgets.

Trusts are also understandably anxious about a potential increase in Teachers' Pension Scheme contributions. Uncertainty regarding energy and other costs has also added to the mix, creating a perfect storm for many.

“Serious concerns”

In their spring 2023 survey, the [Confederation of School Trusts \(CST\)](#) found that of 100 trusts who responded almost half (45.7%) considered their future financial position was challenging. A further 20% of trusts responding are forecasting a deficit with recovery options, but a worrying 21% expect a deficit with serious concerns. Only 13.4% reported a healthy or balanced financial position.

Reportedly, the School Teachers' Review Body (STRB) has recommended a 6.5% pay increase this year rather than the 4.5% offer made by the government. This is likely to be higher than the amount many trusts have budgeted for and will, undoubtedly, put extra strain upon school budgets unless it is fully funded by the government.

Ongoing industrial action

This is set against the ongoing industrial dispute between the Secretary of State and the teaching unions. NEU, NASUWT, NAHT and ASCL are all balloting their members upon industrial action; however, the NEU has stated that if the government fully funds STRB's recommendations, this could resolve the current industrial dispute.

Where trusts follow the NJC pay scales for their support staff, a further increase in support staff pay is on the horizon. In their joint union pay claim, Unite, UNISON and GMB are seeking an increase of 12.7% from April 2023 on all NJC spinal column points, plus an additional day's holiday and a two-hour reduction in the working week.

Further ballots

This offer was rejected by the National Employers', who offered a flat rate increase of £1,925 and rejected the other demands. In response, UNISON is currently balloting their members on proposed industrial action, with GMB and Unite also proposing to ballot their members.

In the face of a very challenging financial landscape, many trusts are seeking to explore staffing restructures as a means of making financial savings. Our advice is increasingly being sought regarding planning and implementing restructuring programmes.

Where should trusts start?

Do your due diligence

If you decide restructuring is required, before embarking upon any programme of restructuring, it is crucial for a trust to know where it stands and what options are available to it.

Not only do you need to understand your current financial position and how you are impacted by financial challenges, but you need to understand where you have scope to make savings. Given the potentially damaging effects of restructuring and/or job losses upon the workforce, you will want to explore possible alternatives.

- Are there opportunities to make greater energy or other non-staffing cost efficiencies?
- Are there any missed commercial opportunities in connection with your facilities or estate?
- Have you appropriately addressed staff absence that might be contributing to your cover and agency costs?

Planning is key

Ideally, you should spend time carefully planning any proposed restructure programme. A well thought out and communicated plan is essential to successfully navigate the challenges that proposed job changes or losses can pose.

What are your business case and proposed structures? Cost out proposals, not forgetting any relevant pay safeguarding, redundancy payments or pension strain costs that might apply.

What is your timescale? Consider the process required under employment law and your own policies to undertake a restructure programme.

The earlier you take legal advice, the better informed you will be about the legal requirements, allowing you to ensure these are built into your plan.

Restructuring process

The process required is likely to depend on whether your restructure involves potential redundancies or, alternatively, simply the reorganisation of work. Not all restructures involve redundancies.

Consider if you need to collectively consult with trade unions and how will you approach individual consultation with your affected employees. Where redundancies are contemplated, you will need to undertake a selection exercise and consult with your workers. Consultation should be genuine and meaningful. You must ensure that your selection exercise is not discriminatory.

Where your restructure results in employees being selected for redundancy, consider whether there are any suitable alternative vacancies that might avoid compulsory redundancy. Ideally, you should meet with employees selected for redundancy to explore their selection, notice periods and any redundancy pay.

You'll need to factor in support for your affected workers, to include time off to look for new jobs or to undertake training. Acas also recommends offering workers the right of appeal. Remember, failing to follow a fair and lawful redundancy process can result in claims to the employment tribunals for unfair dismissal.

Other considerations

Restructuring can affect the wellbeing of your workforce where employees may be concerned for their job security. It can present difficulties with staff morale and retention.

Effective change management can make a significant difference to the experience of your affected workers, their managers responsible for implementing the restructuring process, the wider workforce and your ongoing industrial relations with the trade unions.

Join us on our free forthcoming webinar, "**School staffing restructures: Practical guidance for implementing organisational changes effectively**", where we will be exploring how to plan and conduct restructures in more detail.

Key contacts

Sarah Linden
Legal Director



sarah.linden@brownejacobson.com

+44 (0)330 045 2186



Peter Jackson

Principal Associate

peter.jackson@brownejacobson.com

+44 (0)330 045 2886

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