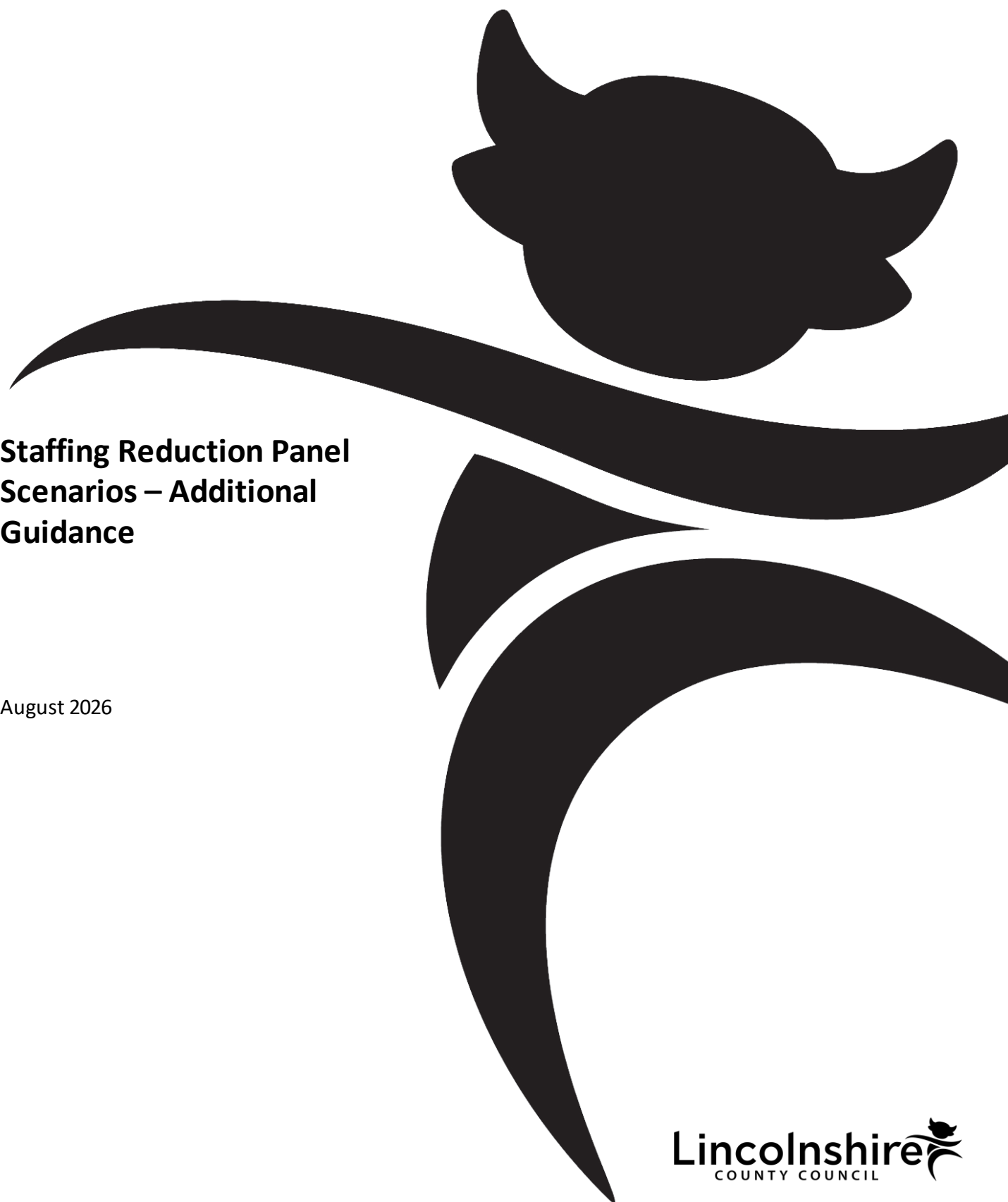




Staffing Reduction Panel Scenarios – Additional Guidance

August 2026

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Background

This guidance outlines the process for creating financial plan scenarios for consideration by the **Staffing Reduction Panel (SRP)**.

Working Budget

To demonstrate the need for consideration by the SRP, schools must ensure that their Working Budget is fully up to date. All known funding, income, and expenditure for the financial year should be recorded accurately within the budget.

This should include any confirmed changes to staffing costs, grants, services, and other income or expenditure commitments. Ensuring the budget reflects the most current financial information will provide an accurate forecast of the school's expected year-end financial position and support informed decision-making at the SRP meeting.

Future financial years must also be reviewed and updated to reflect projected pupil numbers, anticipated changes in funding, income and expenditure, and the application of appropriate inflationary assumptions. This will ensure that the longer-term financial implications are clearly understood and that staffing proposals are considered within the context of the school's projected financial sustainability.

The Working Budget must be presented to the SRP to demonstrate why the school needs to make efficiency savings and to provide evidence that all reasonable financial planning measures have been considered.

Producing Working Budget Reports

In SBS, run a **Budget Analysis** report and use the filter option to select the **Budget Share (00)** cost centre. Ensure that all report data is fully expanded before exporting the report to PDF.

When saving the PDF, clearly identify it as the school's **Working Budget** within the report title, for example:

- *School Name – Budget Share (00) Working Budget*

The above process should then be repeated for each grant-funded cost centre. A separate **Budget Analysis** report should be produced for every grant, ensuring that both the grant name and **Working Budget** are clearly included in the report title. For example:

- *Pupil Premium Grant – Working Budget*
- *Universal Infant Free School Meals – Working Budget*

These reports should be submitted as supporting evidence to demonstrate the school's current financial position and the financial rationale for the proposed efficiency savings.

Scenario Budgets

To create a scenario budget, use the updated **Working Budget** as the basis for the scenario.

In SBS, navigate to **Console > Budgets**. Select the current year's **Working Budget** by ticking the relevant budget plan. Click the **three dots** menu at the top of the screen and select **Duplicate**.

On the duplicated budget plan, amend the title to **Scenario 1**. This will create a copy of the Working Budget that can be used to model proposed staffing or budget changes without affecting the original budget.

Once the scenario has been created, make the required amendments to demonstrate how the proposed changes will affect the school's financial position. This may include adjustments to staffing structures, payroll costs, income, or other expenditure lines, depending on the proposal being considered.

Before making any changes, ensure that you are working in the **Scenario 1** budget plan and not the **Working Budget**. The Working Budget should remain unchanged and continue to represent the school's current financial position.

Additional scenarios may be created where alternative options are being considered. Each scenario should be clearly named (for example, **Scenario 2**, **Scenario 3**, etc.) and should demonstrate the financial impact of the proposed changes over all years included in the financial plan.

Once the school has determined which scenario is to be presented to the Staffing Reduction Panel (SRP), both the selected scenario budget and the Working Budget should be submitted. This will demonstrate the financial impact of the proposed staffing changes and support the school's business case for achieving the required efficiency savings.

All other income and expenditure assumptions within both the Working Budget and the scenario budget should remain unchanged, enabling the financial effect of the staffing changes to be clearly identified and assessed.

Changes to Staffing

Where a school is seeking to demonstrate efficiencies through staffing proposals, staff contracts should not be amended, nor should end dates be added or removed. Making such changes can make it difficult for the panel to clearly identify and understand the proposed amendments.

In addition, changing an individual employee's contract as part of the proposal could imply that a specific member of staff has already been identified for reduction or change. This may give the impression that decisions have been predetermined and have not been made through the appropriate Staffing Review Panel (SRP) process and associated HR procedures. To ensure transparency, fairness, and compliance with employment regulations, proposals should focus on the staffing structure rather than amendments to individual contracts at this stage.

To demonstrate the proposal, schools should use the **Attrition Contract** function. This function enables the school to either create an anonymised replica of an existing contract or create a new attrition contract. An attrition contract generates a negative staffing cost, effectively modelling the financial saving that would be achieved through a reduction in staffing establishment or contracted hours.

Using the Attrition Contract function allows schools to clearly demonstrate proposed savings without making changes to individual employees' records. This ensures that proposals remain focused on the staffing structure and supports a transparent and compliant approach to workforce planning and the SRP process.

Navigate to **Staffing > Staff Contracts > Add**.

1. Select the appropriate **Contract Type** (for example, *Teacher – 32.5 Hours*).
2. Enter a **Contract Name**. The contract name should reflect the proposed saving rather than an individual employee. For example, *Reduction of Class Teacher*.
3. Enter the **Start Date**. Do **not** enter an end date.
4. Select the appropriate **Service Terms**.
5. Enter the **Maximum Point**.
6. Ensure that the **Attrition Contract** slider is switched **on**.
7. Complete any remaining contract details as required and save the record.

When the **Attrition Contract** option is selected, the contract will generate a negative staffing cost. This allows schools to model and demonstrate the financial impact of a proposed reduction in staffing or contracted hours without amending an individual employee's contract. Using an attrition contract helps maintain anonymity, supports the SRP process, and ensures proposals are focused on the staffing structure rather than specific members of staff.

An example is shown below.

Staff Contract

SETTINGS SALARY NOTES

Staff Member	
Contract Name * Reduction of Class Teacher	
Contract Type * Teachers 32.5 hrs	
Start Date * 01/09/2027	End Date
Service Terms * 00 TEACH - 100%	
Click a term to change percentage value	
Analysis Tags	
Click a tag to change percentage value	
Fund Codes	
Click a code to change percentage value	
Maximum Point M6	
Position	
Department	
☐ Apprentice	
☒ Attrition Contract	

Adding Salary Details to an Attrition Contract

Once the attrition contract has been created, select the **Salary** tab and click **Add New**.

1. The **Effective Date** must be the same as the **Start Date** entered on the contract.
2. Enter the appropriate **FTE** (Full-Time Equivalent).
3. Select the relevant **Scale Point**.
4. Select or deselect the **Pension** option, as applicable.
5. Click **Update** to save the salary record.
6. Select **Auto-increment** where applicable to ensure future incremental progression is reflected in the costing.

The salary details entered will determine the value of the saving generated by the attrition contract. It is therefore important that the FTE, scale point, and pension settings accurately reflect the post being removed or reduced. This will ensure that the projected staffing savings are represented correctly within the staffing proposal.

An example is shown below.

Salary information

Effective date *
01/09/2027

FTE
1

Spot/Adjustment
0

Scale point *
M3

Allowances

☒ ER's Pension

Cancel

Update

Staff Contract



SETTINGS **SALARY** NOTES

Salary information					
				Auto-increment	+ Add new
Effective	Scale Point	FTE	Spot/ Adjustment	ER's Pension	Allowances
01 Sep 2027	M3	1	0	Yes	
01 Sep 2028	M4	1	0	Yes	
01 Sep 2029	M5	1	0	Yes	
01 Sep 2030	M6	1	0	Yes	

Once all proposed staffing and budget changes have been entered, rerun the **Budget Analysis** reports for the scenario budget.

When producing scenario reports:

- Ensure the report title clearly identifies the scenario (for example, *Scenario 1*, *Scenario 2*, etc.).
- Run reports for the **Budget Share (00)** cost centre and all relevant grant-funded cost centres.
- Fully expand all report data before exporting to PDF.
- Save each report with a clear title identifying both the scenario and funding source.
- The accompanying written business case should clearly explain the proposed staffing changes and reference the attrition contracts used to demonstrate the associated savings. The narrative should describe the structural changes being proposed and how these contribute to achieving the required efficiency savings.

- Where alternative options are being considered, additional scenarios should be created and reported separately. Each scenario should demonstrate the financial impact of the proposed changes across all years included within the financial plan.
Note: Only the preferred scenario should be presented to the SRP alongside the Working Budget. Any alternative scenarios should be retained internally for school use only.
- The **Working Budget** and all relevant **Scenario Budget** should be submitted to SRP to support the school's case and demonstrate the financial impact of the proposed staffing efficiencies.