

**Schools Forum 2 June 2009**

**Report of the Interim Director of Children's Services**

**Job Evaluation and Equal Pay for Dudley Schools**

**Purpose of Report**

1. The purpose of this report is to provide an update to Schools Forum in respect of Job Evaluation (Single Status) and the Equal Pay Back Pay Reserve for Dudley Schools.

**Budget Working Group Discussed**

2. Yes – 19 May

**Action for Schools Forum**

3. To note the report and to consider whether an amendment to Dudley's Scheme of Financing Schools is required in respect of the recommended minimum amount of £20k to be set aside for 2009/10.

**Attachments to Report**

4. Letter to schools dated 10 February 2009– Appendix A.

Karen Cocker  
Children's Services Finance Manager  
18 May 2009

**Schools Forum 2 June 2009**

**Report of the Interim Director of Children's Services**

**Job Evaluation and Equal Pay for Dudley Schools**

1. The purpose of this report is to provide an update to Schools Forum in respect of Job Evaluation (Single Status) and the Equal Pay Back Pay Reserve for Dudley Schools.

**Background**

2. Dudley's Scheme for Financing Schools states that schools' funds set aside in the Single Status and Equal Pay costs reserve will be maintained outside of the local management of schools reserves and excluded for claw back purposes.
3. Dudley's Scheme for Financing Schools, paragraph 4.2.2, Controls on Surplus Balances, also states: *'Those schools which have set aside contingency funds of over £20k for the purpose of single status and equal pay costs, are authorised to withdraw the excess funding from the contingency at their discretion and without reference to the Director of Children's Services, provided that the contingency funding does not reduce to less than £20k'*. This provision within the scheme was agreed by Schools Forum in light of the advice from the Director of Finance in February 2008 regarding the minimum amount to be set aside during 2008/09.
4. Detailed work in respect of job evaluation and equal pay is continuing in respect of all Council employees. The Director of Finance wrote to all schools on the 10 February 2009, advising that a further £20k should be set aside for 2009/10, as a minimum contribution, and more if possible. Schools are encouraged to set their £20k aside from the recurrent delegated budget in order to minimise the impact on the schools budget when the full liability is identified. A copy of the letter is attached at Appendix A.
5. At the 31 March 2009 schools have set aside a total reserve for Single Status and Equal Pay costs of £3.8m. This will increase during 2009/10 when schools have transferred their new year budget allocations to the reserve.
6. Due to budget pressures in 2009/10, a small number of schools have withdrawn funds from their for Single Status and Equal Pay reserve to balance the delegated budget.
7. Schools Forum is asked to consider whether a similar restriction should be placed on the additional funds added to the 2009/10 reserve, as established in 2008/09 and detailed in paragraph 3 above. This would ensure that schools

retain at least two years funding for single status and equal pay costs at £20k per year. Whilst schools may be experiencing budget difficulties in 2009/10, the impact of reducing their funds set aside for single status and equal pay now will only serve to exacerbate financial difficulties in the future.

8. Dudley's Scheme for Financing Schools could be updated to enhance the last sentence as follows .... *"provided that the contingency funding does not reduce to less than £20k per annum for each of the years 2008/09 onwards until such time that settlement is reached."* This would ensure that schools have maintained a minimum balance of £40k to date.

### **HTCF - Budget Working Group (BWG)**

9. At the meeting on 19 May, the Group discussed the need for schools to set aside funds for single status and equal pay costs and strongly recommended that schools seek to provide £20k per annum for 2008/09 and 2009/10 or until such time that settlement is reached.
10. The recommendations of the Group have been incorporated into the proposed LMS scheme revision outlined in paragraph 8 of this report.

### **Finance**

11. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
12. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
13. From 1<sup>st</sup> April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

### **Law**

14. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

## **Equality Impact**

15. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

## **Recommendation**

16. Schools Forum to note the position regarding job evaluation and equal pay and consider whether an amendment to Dudley's Scheme of Financing Schools is required in accordance with a proposed addition outlined in paragraph 8 of this report.

A handwritten signature in black ink, appearing to read 'Jane Porter', with a horizontal line underneath.

**Jane Porter**  
**Interim Director of Children's Services**

Contact Officer:  
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10th February 2009

Dear Headteacher,

Detailed work in respect of job evaluation and equal pay is continuing on behalf of all Council employees and there is still some uncertainty around equal pay claims upon which we continue to receive legal advice. At this stage I have assumed that Voluntary Aided and Foundation Schools will not be responsible for equal pay costs. If this rule changes the Council will advise you further.

In preparation for 2008/09 budget planning, schools were advised in February 2008 that £20,000 was a minimum annual sum to be set aside in respect of their anticipated job evaluation and equal pay liability; this was based on a very broad estimate of liability and schools were encouraged to set aside more if possible as there is a possibility, particularly for secondary and the larger primary schools, that the eventual settlement will be higher. Schools were also advised to set these funds aside from their delegated budget where ever possible or failing this from reserves. Where provision was made in 2008/09 Budgets, the under-spending should be transferred to the school's reserves.

I am continuing to give the same advice to schools for the coming school budget year i.e. 2009/10 to set aside a further £20,000 as a minimum contribution, more if possible. Given that any financial implications resulting from both the job evaluation and equal pay settlements will have an annual ongoing financial cost for schools, you are advised to set the £20,000 aside within your recurrent delegated revenue budget, if you have not already done so. However, if this is not possible, then reserves should be earmarked . Please remember that this is not necessarily a financial commitment as the eventual position when the final figures are known may well be different and if the sums set aside are ultimately not needed then clearly they can be used for other school requirements.

The precise amount payable by each school cannot yet be determined and will be advised to you as soon as information becomes available but it is important for schools to be setting funds aside now to begin to make proper provision to meet these costs.

For clarification purposes I have been asked to provide a definition of equal pay claims in schools. Women may make equal pay claims on the basis that they have been paid a lower rate for the job than that paid to men doing the same or equivalent jobs. We have a number of claims from women comparing their pay to men on the same or similar basic grade but where the men receive a bonus which then puts their pay above the women's. We are currently taking legal advice on the legitimacy of a number of the claims. The main job groups where women employed by schools have submitted claims are Cleaners; Midday / lunchtime supervisors / superintendents; Supervisory assistants; Teaching / classroom / learning assistants and NNEBs; After school / breakfast club assistants and Clerical / admin staff. We have also had claims from cooks, kitchen assistants and cashiers but for most schools these staff are employed centrally by the Client and Catering team rather than by the schools themselves.

It is intended that job evaluation and equal pay planning workshop sessions will be scheduled, in due course, for headteachers to clarify any points that you may wish to raise with colleagues from finance or personnel. It may also be appropriate to run similar workshops for governors.

Yours sincerely,

Mike Williams  
Director of Finance