

Schools Forum 8 July 2008

Report of the Director of Children's Services

Single Status and Equal Pay Costs in Schools

Purpose of Report

1. To advise Schools Forum of the funding set aside by Dudley schools to cover single status/equal pay costs and the mechanism for accessing the funds.

Budget Working Group Discussed

2. No.

Action for Schools Forum

3. To note the funding set aside by Dudley schools for single status/equal pay costs.

Attachments to Report

4. Appendix A- Proforma to Schools

Karen Cocker
Children's Services Finance Manager
23 June 2008

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Single Status and Equal Pay Costs in Schools

Purpose of Report

1. To advise Schools Forum of the funding set aside by Dudley schools to cover single status/equal pay costs and the mechanism for accessing the funds.

Background

2. Dudley is undertaking a major Pay and Grading Review to comply with the Single Status Agreement. Although the actual costs of the Single Status Agreement and the timing of any backdated equal pay settlements have still to be determined, the Council and Schools are required to make a prudent provision in the relevant service cost lines of the accounts.
3. The latest financial information in relation to the funding set aside by Dudley schools to cover their liability for single status/equal pay costs is £2.87m. This is made up of:
 - a. £1,515m earmarked single status/equal pay cost contingency reserve
 - b. £1.355m earmarked single status/equal pay cost contingency within the delegated budget for 2008/09
4. The employment status of support staff at Community and Voluntary Controlled schools in relation to potential equal pay claims has been clarified to some extent by recent Guidance and as a result liability rests with the Schools Budget. However, the Council continues to have responsibility to ensure that excessive back pay costs do not prejudice the ability of schools to develop pupil provision and raise standards.
5. In order to assess the overall impact on schools before setting aside funds for single status/equal pay costs, each school was requested to submit their 2008/09 budget plans to the Director of Finance/Director of Children's Services for consideration, before any firm action was taken by individual Schools/Governors. As a result only one Community school has failed to set aside contingency funds. For Foundation and Voluntary Aided schools, there was no requirement from the local authority to set aside a contingency, however a number of these schools have set aside funds.
6. Every school in Dudley was asked to identify via a proforma, attached at Appendix A:
 - a. How much the school was proposing to set aside as a contingency for single status/equal pay costs; and
 - b. If the setting of the contingency necessitated staffing reductions, and if so, would this be via the release of vacant posts or proposed redundancy.

7. Schools advised the Authority in April that the following actions would be necessary in order to achieve the setting of a single status/equal pay costs contingency:
 - a. 18 schools stated that they may be unable to appoint to some vacant posts or renew temporary contracts this year;
 - b. 1 school proposed to make redundancies.

This information informed the decision making process in respect of each school's proposal. As regards redundancies, this was a course of action which the Director of Children's Services was not prepared to support at this stage of the pay and grading review process and in these few instances further discussions have taken place with those schools concerned to agree on a revised contingency fund.

8. It is proposed that the contingency funds set aside by Dudley schools for single status/equal pay costs are maintained outside of the schools defined LMS reserves at this stage; this would then exclude the funds from the year- end mechanism of clawing-back school balances.
9. It is further proposed that whilst schools can add to their contingency funds set aside for single status/equal pay at any time, until such time that the liability for single status/equal pay costs has been established for each school then it is proposed that no withdrawals will be permitted unless approved by the Director of Children's Services.

Finance

10. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2008.
11. 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.
12. From 1st April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

13. 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

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

Recommendation

15. Schools Forum to:

- a. Note that the latest contingency funding set aside by Dudley schools for single status/equal pay costs is £2.87m;
- b. Agree that the single status/equal pay costs contingency funding set aside by schools be maintained outside of the LMS reserves and excluded for claw-back purposes at this stage;
- c. Agree that the withdrawal from schools single status/equal pay costs contingency funds will not be permitted until the liability for the school has been determined, unless approved by the Director of Children's Services.



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Director of Children's Services

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