

To – Schools Forum – 16th October 2014

Review of Equal Pay Reserve

Extract of paper that went to Schools Forum 26th June 2014

Item 10 (i) Review of Equal Pay Reserve

The original balance in this reserve was £887k as at 2010

Spending profile has been as follows:

2010/11 £126k

2011/12 £0k

2012/13 £84k

2013/14 £47k

Total Spend as at 31st March 2014 = £257k

Balance on reserve = £630k

Our external solicitors have advised that the landscape is exactly the same a year ago when they wrote a paper on this. The advice is still current and therefore their view at the present time until we reach 2016 the level of risk remains the same. They have advised that you hold all of the contingency fund. Whilst they can see reasons behind wishing to reduce it, as we had such a relatively low number of claims of fairly low value, the risk of future claims is still very real and that whilst we have settled on relatively low amounts this, they cannot predict what any future claims would look like in terms of settlement. This position will be reviewed again in June 2015.

Update from Schools Forum 16th October 2014

Schools Forum requested that £500,000 of this reserve is allocated out to schools during 2014/15. This proposal was put to our solicitors who replied with the following new advice:-

That new case law continues to emerge which in the main relates to the case against Birmingham City Council which was upheld where the claims were older than 6 years, which was the original cut off date for all claims. Plus our solicitors are concerned about the relatively low number of claims to date in Torbay, suggesting that there is an increased probability that this could lead to a number of late claims in future years.

Based upon the above advice the Director of Children's Services and the Executive Head Finance have agreed that the earmarked reserve should remain intact until July 2016.

Lisa Finn
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