
Report to
Cabinet

19th September 2006

Report of
Director of Legal and Democratic Services

Title
Appointment of External Legal Advisors – Equal Pay Claims

1 Purpose of the Report

- 1.1 To ask the Cabinet to retrospectively agree to the appointment of Eversheds LLP as the City Council's external legal advisors in relation to equal pay and associated claims.

2 Recommendations

- 2.1 Cabinet is recommended:-

Agree to the retrospective appointment of Eversheds as the City Council's external legal advisors in relation to equal pay and associated claims.

3 Background

- 3.1 Equality of pay within the workforce has been the requirement of UK legislation since the passing of the Equal Pay Act 1970. Over the years, the City Council has sought to ensure that its policies in relation to pay and conditions reflect the principles of equality. In doing so, in 2005, the City Council introduced the "Single Status" Agreement.
- 3.2 Following the introduction of the Agreement, a significant number of claims were received from employees under the Equal Pay legislation. Should these claims be successful, then the financial cost to the City Council will be substantial.
- 3.3 The number of claims and the workload that they would generate, could not be accommodated within the resources available within the Council's in-house legal service. As a result, a decision was taken to instruct an external firm of lawyers, Eversheds LLP, who have considerable expertise in this particular area of law. Eversheds LLP were appointed under the City Council's Single Negotiated Tender process.
- 3.4 Since their appointment, Eversheds LLP have carried out a considerable amount of work in relation to the individual claims and provided advice on the City Council's general approach to this litigation. The value of the work carried out by Eversheds has now passed the £100k threshold and so retrospective Member approval is now required to their continued

appointment. At this stage, it is difficult to quantify the eventual cost of the legal advice that will be required, as this will depend upon the way in which individual claims progress. However, officers have had discussions with Eversheds LLP to ensure that the proposed fee structure is the best that can be achieved.

4 Proposal and other Options to be considered

- 4.1 It is in the City Council's interest to ensure that it obtains the best possible legal advice in relation to these claims. Eversheds are leading experts in this particular field of legislation and it is, therefore, recommended that the City Council continue to use them.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources	✓	
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	✓	
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

5.2 Finance

The cost of this legal advice will be met from resources set aside within the initial Single Status project implementation budget. These resources were carried forward into 2006/07 as reported to Cabinet within the 2005/06 financial outturn report on 25th July 2006.

5.3 Human Resources

The City Council has received 485 equal pay and associated claims to date. It is in the City Council's interests to ensure that such cases are defended to minimise any impact upon the City Council.

5.4 Legal Implications

The 485 claims issued so far will be considered by the Employment Tribunal in due course. The City Council will need to be represented in these proceedings and requires external legal advice to ensure that its interests are protected.

At this stage it is not known whether any of the claims are likely to be successful and this will become clearer as the legal process continues. In order to ensure that the City Council's position is protected, it is essential that there is no disclosure of any information which may indicate the City Council has made any financial provision to meet any of these claims. Any such disclosure would prejudice the City Council's position.

6 **Monitoring**

- 6.1 Legal and Democratic Services, in conjunction with the Head of Human Resources, will monitor the performance of Eversheds during the course of this commission.

7 **Timescale and expected outcomes**

- 7.2 It is proposed that the present appointment of Eversheds will be continued until such time as the equal pay claims are resolved.

	Yes	No
Key Decision	✓	
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		✓
Council Consideration (if yes, date of Council meeting)		✓

List of background papers

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Location