



### Equal pay and equal value

In response to the equal value provisions which were introduced in 1983, local authorities developed a job evaluation scheme to cover all manual workers, which was implemented in the late 1980s. In the first attempt to incorporate the concept of equal pay for work of equal value, some female-dominated jobs, such as cooks and carers were upgraded.

At the same time, locally negotiated bonus schemes for manual and craft employees remained in place alongside the new scheme. These bonus schemes were introduced in the 1960s in an attempt to address low pay and low productivity in the sector. However, over time, the situation developed whereby there were no targets to be met in order to receive the bonus, and there was also no monitoring of productivity. The bonus schemes tended to favour male-dominated jobs with very few female-dominated jobs having access to bonus schemes.

By 1996, more than half of male full-time manual staff received bonuses, compared with only 5% of female full-time staff and bonus payments represented 15% of average male earnings compared with just over 1% of female earnings.

### A time of mass litigation

Following the implementation of the job evaluation scheme in the late 1980s, trade unions began to realise that they could pursue 'work rated as equivalent' claims on behalf of the members working in jobs predominantly undertaken by women, who had, following evaluation, been placed in the same grades as male colleagues who were paid bonuses in addition to their basic job evaluated pay.

Following mass litigation and expensive settlements in the 1990s, local authorities reached a UK-wide agreement in 1997 to harmonise the pay and conditions of administrative staff with manual workers. In 1999, a Single Status Agreement (SSA) was reached between trade unions and local authorities in Scotland which was to ensure that new pay structures to be introduced would eradicate pay inequality by its original implementation date of April 2002.

Before the local authorities were able to implement the new structures, they were forced to make compensation deals with employees for up to five years' back-pay. Under Equal Pay legislation, women in Scotland are entitled to five years' back pay, as this is the time limit in a breach of contract claim. In English

Law, the entitlement is six years' back pay, in accordance with the time limit in a breach of contract claim in England.

Local authority employers failed to address single status and equal pay issues and further mass litigation commenced in Scotland in 2005. In the period 2005 to 2006, Scottish local authorities identified a number of high risk claimant groups and sought settlement of those claims. These claims were from women in manual occupations, such as cooks, care workers and cleaners, who had identical grades to male manual workers. The difference in pay related to the exclusion of women from bonus schemes.

There are still a number of unresolved claims from this time, primarily from workers who were excluded from compensation arrangements, such as classroom assistants, nursery nurses and clerical assistants.

In 2006, the Scottish Parliament Finance Committee investigated the financial implications of Single Status. The Committee heard evidence from local authorities that they anticipated spending of up to £500 million in equal pay compensation over and above the cost of Single Status.

Workers who took compensation payments in 2006 waived their right to pursue claims for equal pay. However, these waivers or compromise agreements expired in 2006, often before the quality proofed pay systems came into effect. Consequently, a second and additional period of equal pay liability was created from 2006 onwards.

In the period 2006 to 2008, most local authorities embarked on a second round of compensation payments in addition to the £500 million described in evidence to the Finance Committee. It is estimated that these payments total around £100 million.

## **The current situation**

As of January 2010, all local authorities have concluded work on pay and grading structures except Edinburgh and Clackmannanshire. Dumfries and South Ayrshire have concluded but not yet implemented the new structures.

In March 2009, the Equality and Human Rights Commission (EHRC) announced it will conduct a formal investigation into Glasgow City Council's job evaluation to establish whether it is free from sex discrimination.