FINANCE COMMITTEE

AGENDA

3rd Meeting, 2006 (Session 2)

Tuesday 31st January 2006

The Committee will meet at 10.00 am in Committee Room 1 to consider the following agenda items:

1. **Budget (Scotland) (No.3) Bill**: The Committee will consider the Bill at Stage 2.

2. **Inquiry into Cost of Local Authority Single Status Agreement**: The Committee will take evidence from –
   
   Jimmy Farrelly, T & G Scotland; Carol Judge, Unison Scotland; and Alex McLuckie, GMB Scotland.

3. **Bankruptcy and Diligence etc. (Scotland) Bill**: The Committee will take evidence on the Financial Memorandum from –
   
   Gillian Thompson, Chief Executive of the Accountant in Bankruptcy; Graeme Perry, Head of Operational Policy Unit, Accountant in Bankruptcy; Nicola Bennett, Director of Finance and IT; and Marilyn Riddell, Head of Court Organisation Branch, Scottish Courts.

4. **Subordinate legislation**: The Committee will consider the following negative instruments—
   
   the Public Contracts (Scotland) Regulations 2006 (SSI 2006/1); and
   
   the Utilities Contracts (Scotland) Regulations 2006 (SSI 2006/2).

5. **Item in private**: The Committee will decide whether to consider the Executive’s response to its report on Stage 2 of the Budget Process 2006-07 in private at its next meeting.

6. **Committee inquiry (in private)**: The Committee will consider its approach to a future inquiry.

Susan Duffy
Clerk to the Committee
Room T3.60
Extn 85215
The papers for this meeting are:

**Agenda Item 1**

Paper from the Clerk

*Budget (Scotland) (No. 3) Bill* and associated documents available online (circulated to members in hard copy only; electronic versions available via Parliament website)

**Agenda Item 2**

Submissions from:

- Unison Scotland;
- T&G Scotland;
- City of Edinburgh Council;
- Aberdeenshire Council; and
- Dumfries and Galloway Council

PRIVATE PAPER

**Agenda Item 3**

Submissions from:

- Accountant in Bankruptcy (AiB);
- Scottish Court Service;
- Institute of Chartered Accountants of Scotland;
- Registers of Scotland (RoS);
- Society of Messengers-at-Arms and Sheriff Officers; and
- Credit Services Association.

*Bankruptcy and Diligence etc. (Scotland) Bill* and associated documents available online (previously circulated to members in hard copy only; electronic versions available via Parliament website)

PRIVATE PAPER

**Agenda Item 4**

Paper from the Clerk

*The Public Contracts (Scotland) Regulations 2006* (previously circulated to members in hard copy only; electronic versions available via HMSO website)

*The Utilities Contracts (Scotland) Regulations 2006* (previously circulated to members in hard copy only; electronic versions available via HMSO website)
Agenda Item 6
PRIVATE PAPER
PRIVATE PAPER
Finance Committee

3rd Meeting 2005 – 31 January 2006

Budget (Scotland) Bill – Stage 2

1. This paper sets out the procedure which must be followed in dealing with Stage 2 of the Budget Bill. The Budget Bill was published on 19 January 2006 and the Stage 1 debate took place on 26 January 2006.

2. The Bill is handled by the Parliament within strict timescales. In particular, it has to be passed by the Parliament no later than 30 days after the date of introduction. This means that Stage 3 has to take place this year no later than 18 February (and the written agreement between the Finance Committee and the Executive states that where possible, the Executive will timetable a debate prior to 14 February). As the Parliament will be in recess on that date, the Stage 3 debate is scheduled to take place on 9 February. Therefore, Stage 2 is being taken at today’s meeting.

3. Many members will probably be familiar with handling Executive legislation. Budget Bills, however, fall into a category of their own and procedures relating to them are governed separately by Rule 9.16 of standing orders.

4. Unlike other legislation, where amendments can be lodged by any member, at Stage 2 of a Budget Bill, amendments can only be lodged and moved by a member of the Scottish Executive.

5. Proceedings on amendments to Budget Bills are identical to those for other Bills. Where it is the case that no amendments are lodged to the Bill, the Committee is still required to agree each section and schedule of the Bill as well as the long title. As with other Bills, where sections and schedules to which no amendments are proposed fall to be considered consecutively, a single question can be put on those sections or schedules.

6. It is worth pointing out that it is not possible to leave out a section or schedule of the Bill by disagreeing to it. The Guidance on Public Bills states:

   Paragraph 4.77
   The Question on a section or schedule is only put if there is no amendment to leave out the section or schedule. In other words, any substantive decision on whether the section or schedule should remain in the Bill is taken on an amendment.

   Paragraph 4.78
   If no amendment to leave out the section or schedule has been lodged in advance, any member may lodge a manuscript amendment to leave it out. So long as such an amendment is admissible, the convener should always consent to it being taken.

7. Since the standing orders only allow amendments to a Budget Bill to be moved by a member of the Scottish Executive, Committee members would have to persuade the Minister to move a manuscript amendment to leave out the section or schedule in question. As it is unlikely that the Minister would agree to do so, the end result is that
there is no alternative for the Committee but to agree to the sections and schedules. The Parliament does, of course, have the option at Stage 3 of voting down the whole Bill.

Susan Duffy
Clerk to the Committee
Finance Committee

3rd Meeting 2006, Tuesday 31 January 2006

The Financial Implications of the Single Status Agreement

1. Having taken evidence on this issue from a selection of individual councils and from COSLA, the Committee will today take evidence from the three relevant trade unions – Unison, GMB and the T&G.

2. The following submissions have been received since the Committee’s meeting on 24 January 2006:

   Unison Scotland
   T&G Scotland
   City of Edinburgh Council
   Aberdeenshire Council
   Dumfries and Galloway Council

Susan Duffy
Clerk to the Committee
SUBMISSION FROM UNISON SCOTLAND

Introduction

UNISON Scotland welcomes the decision of the Scottish Parliament Finance Committee to conduct a short inquiry into the financial implications of the equal pay aspect of the Single Status Agreement.

UNISON is the largest trade union in Scottish local government. In this evidence we outline the background to the current problems and our concerns over the funding of the Single Status Agreement.

Background

As with other employers, local government employers have struggled to meet their binding legal obligation to introduce equal pay despite the fact that the relevant law has been in place for over 30 years. In 1999, along with the GMB and T&G unions, UNISON signed the Single Status Agreement with Local Government employers. This agreement was designed to deliver modernised employment relations, across all occupations, building on verifiable pay equality as a cornerstone of the relationship between Councils and their employees. The single status agreement was due for implementation in April 2002. The trade unions recognise that, both financially and logistically, this was a major undertaking for the employers and the unions have been reasonable and patient in dealing with delays in the intervening period.

Local government employers have not been granted the financial resources or flexibility to modernise employment in a manner comparable with secondary school or higher education, health and several other valued public services. UNISON believes that the time has come for the Scottish Executive to play an active role in the delivery of a solution that ensures equality and fairness within modernised local government services.

Job Evaluation & Equal Pay

Although the modernising effect of ‘single status’ goes far wider than equal pay, it is the issue of equal pay which accounts for the current problems faced by employers and employees.

Equal pay between women and men is a binding legal obligation. It applies to salaries and to additional benefits such as bonuses or holidays. Where an employee can show a pay inequality with someone of the opposite gender then they will be compensated for up to five years. The comparison must be made between people in similar jobs or jobs of equal value.

There are many sources of pay inequality within local government. For example many jobs traditionally dominated by women are undervalued and underpaid. MSPs will remember the long running Nursery Nurses dispute. That dispute was about the historic undervaluing of women’s work. It was the type of dispute the Single Status Agreement was designed to avoid. But that
is not an isolated case. UNISON has many members among classroom assistants, homecarers, cooks, cleaners and clerical workers who have historic pay problems that must be addressed.

Another major problem is the fact that women do not get access to bonus schemes commonly offered to male manual workers.

Employers tend to use Job Evaluation schemes to ensure equal pay between women and men. Once jobs are evaluated, employers and trade unions use that data to negotiate around pay and grading models that offer women and men equal rewards. What tends to happen is that pay freezes or red-circling are used to hold back the pay of one group while those previously undervalued and underpaid catch up. Nowhere in the Equal Pay Act does it say an employer can sack a man to create equal pay with a woman. The Equal Pay Act is based on levelling up, not levelling down.

Workers Facing Pay Cuts

Rather than meet their equal pay obligations and raise the pay of women to match that of men, UNISON fears that some employers may be tempted to sack all staff and offer re-engagement on lower salaries and poorer terms and conditions. Although some employees always lose out under job evaluation, widespread substantial pay cuts are simply unacceptable and will inevitably result in further disputes.

What is also unacceptable is the absence of any meaningful dialogue in some parts of the country. UNISON has a duty to its members to check any proposed grading system to make sure it is based on equal pay for work of equal value. In order to do that, UNISON needs to know the data from the job evaluation exercise if we are to negotiate over the implementation of equal pay. Without data access, new terms and conditions cannot be adopted. Having signed an agreement to give the unions this data in 1999 some employers are now refusing to provide the relevant data. UNISON is being forced to refer the matter to the Information Commissioner, all of which brings further delay.

Role for the Scottish Executive

All the trade unions are agreed – the time has come for the Scottish Executive to act. It is no longer an option for the Executive to hide behind the statement that this is a private matter between Council employers and employees. The Scottish Executive rightly supported pay modernisation in health and education. With 80% of local government funding coming from the Executive, councils also need support.

This is also a matter of Scottish public policy. Are public services to be free from discrimination or not? In addition to passing legislation to enable individual claims of equal pay, there are other obligations on member states under EU law. For example, under Article 4 of the Equal Pay Directive member states must take the necessary measures to ensure that “provisions appearing in collective agreements, wage scales, wage agreements or individual contracts of employment which are contrary to the principle of equal
Employers in Scottish local government are accountable to the Scottish Parliament and, without changing Westminster legislation on equal pay, the Parliament and the Executive should be assisting local government employers in their efforts to tackle inequality. The Scotland Act 1998 (Sch. 5 section L2) also provides powers for the encouragement of equal opportunities and in particular of the observance of the equal opportunity requirements (this explicitly includes the Equal Pay Act 1970).

Although concerned at the approach of some employers on this issue, UNISON has considerable sympathy for those councils who look at the role of the Executive in health, secondary teaching, universities, SEPA and other areas and ask why no assistance is available from the Scottish Executive, financial or otherwise. The trade unions support the employers call for the position of the Scottish Executive to be reversed.

Financial Consequences

The financial consequence for local authorities comes in two parts. There is the cost of implementing a job evaluation scheme, mostly involving an element of red circling described above. Then there is the cost of compensation for past discrimination in the form of back pay. It is the latter that has attracted most media coverage and the attention of profit seeking lawyers. However, it is equally important to put a fair job evaluation scheme in place to ensure no continuing discrimination and to identify all staff who may be suffering from pay discrimination.

The employers' evidence to the Finance Committee of the Scottish Parliament asserted that the scale of the debt to low paid workers was £560 million. UNISON does not accept that as an accurate figure. The sums quoted in evidence to the parliament reflect past inequalities in relation to bonus. They do not address or reflect the substantial inequalities in relation to past grading inequality because those debts have not been properly quantified and the employers refuse to share the relevant data with the trade unions.

No agency has accurately projected the cost of equal pay in Scottish Local Government largely because until robust job evaluation schemes are in place in every authority it is impossible to accurately calculate a final figure.

Increase in Equal Pay Liability

Despite our disagreement over the scale of equal pay liability the employers and the trade unions are agreed that the scale of equal pay liability could not have been foreseen when the Single Status Agreement was signed in 1999.

The Single Status Agreement was adopted with the intention, among other things, of bringing local authority pay and conditions into line with Equal Pay legislation. The costings associated with Single Status negotiations were based on the rights and obligations under the Equal Pay Act 1970. At the time the Single Status Agreement was signed, s.2(5) of the 1970 Act stated: 

pay shall be, or may be declared, null and void or may be amended.”
A woman shall not be entitled, in proceedings brought in respect of a failure to comply with an equality clause (including proceedings before an industrial tribunal), to be awarded any payment by way of arrears of remuneration or damages in respect of a time earlier than two years before the date on which the proceedings were instituted."

However, the UK government later amended this provision by statutory instrument. The effect of that amendment in Scotland was to increase the scope for equal pay claims from two years prior to the date of proceedings to five years. The explanatory note published with the Equal Pay Act 1970 (Amendment) Regulations 2003 states:

"These Regulations amend the time limit within which a person must institute proceedings before an employment tribunal in respect of a breach of the Equal Pay Act 1970 ("the Act"). The Regulations also amend the time period in respect of which an employment tribunal or court is able to award any payment by way of arrears of remuneration or damages in such proceedings."

"These changes are necessary to reflect requirements of European Community law, specifically Article 141 of the Treaty of Rome (equal pay), as applied in a number of recent cases before the European Court of Justice and the domestic courts".

The case to which the relevant part of the note refers is Preston & Others v. Wolverhampton Healthcare N.H.S. Trust & Others and Fletcher & Others v. Midland Bank Plc [2001] UKHL 5. The view of the House of Lords was that the two year limit on compensation for past discrimination was incompatible with Article 141 of the Treaty of European Union.

In short, the current equal pay liability is 250% larger than could have been forecast by the most detailed analysis in 1999 and this increase in liability is attributable to the failure of the UK Government to legislate on equal pay in compliance with the provisions of community law prior to July 2003.

**UK Government Role**

UNISON is not suggesting that the UK government should be sued for failing to legislate properly on equal pay. However, it has been suggested in this recent debate that the responsibility for the equal pay debt rests solely with the employers who signed the agreement in 1999. There can be no doubt that the duty to implement equality rests with the employers, however, the scale of the problem the employers presently face is attributable in large part to a failure by the UK government and that therefore they should contribute to the cost, or at the very least not profit from the tax windfall from compensation payments.

In *Frankovich*, a case where there had been a failure to implement a directive, the European Court said at paragraph 37 "it is a principle of Community law that the member states are obliged to make good loss and damage caused to individuals by breaches of Community law for which they can be held responsible". On the face of it there is a possibility that the UK Government has a direct legal liability for failing to legislate competently on equal pay. The question is whether the failure to legislate adequately on equal pay...
compensation amounts to a “grave and manifest” disregard for the requirements of community law.

An unpaid debt to low paid women in Scotland of something in excess of £500 million can only be described as a grave matter. The issue in dispute is whether in 1999 the UK government were aware that the Equal Pay Act was not compatible with community law and knowingly failed to amend the law.

This question is best addressed by looking at Marshall v Southampton and South-West Hampshire Area Health Authority (No. 2) [1993] IRLR 445. In March 1980 Miss Marshall was dismissed at the age of 62. At the time of her dismissal men were entitled to work until the age of 65. In 1986 the European Court ruled that she had the right to retire at the same age as a man. When her case returned to employment tribunal in 1988 the Sex Discrimination Act limited compensation to just over £6,000. Miss Marshal returned to the European Court and in 1993 she received a ruling that the attempt by the UK Government to limit compensation for discrimination was unlawful. Miss Marshall was eventually compensated in full.

Critically for our purposes, the ECJ held that “equality of opportunity ... cannot ... be attained in the absence of measures appropriate to restore such equality when it has not been observed.” “Where financial compensation is the measure adopted in order to achieve the objective indicated above, it must be adequate, in that it must enable the loss and damage actually sustained as a result of the discriminatory dismissal to be made good in full”.

The UK government intervened as a party in the Marshall case and therefore was made directly aware of the principle set out above. This ruling made it obvious to the UK Government that remedies for sex discrimination had to be reviewed in order to ensure compliance with community law.

Such a review was conducted by Ann Widdecombe, then Secretary of State for Employment, and the result was the Sex Discrimination and Equal Pay Remedies Regulations 1993 which took effect in November of that year. The explanatory note published by the government with those regulations described their purpose thus: “These Regulations, which are made under section 2(2) of the European Communities Act 1972, are made for the purpose of ensuring that the remedies available under legislation in Great Britain relating to sex discrimination and to equal pay for men and women comply with the requirements of Council Directives 1975/117/EEC and 1976/207/EEC (following the judgment of the European Court of Justice in Case No C271/91-Marshall v Southampton and South-West Hampshire Area Health Authority (No.2)).”

Although the regulations removed the limit on compensation payable for sex discrimination, the two-year limit on compensation for equal pay was retained in 1993 and remained in place until the found to be unlawful in the Preston Fletcher case of 2003.
It is UNISON’s position that it was manifestly obvious to the Department of Employment at the time of the review in 1993 that the arbitrary limits on compensation under both the Sex Discrimination Act and the Equal Pay Act were incompatible with community law. Indeed, it could be argued that the appropriate amendment to the Equal Pay Act would have been to remove entirely the limit on compensation in line with the law on race, sex and disability discrimination.

As we observed above, it is not now disputed that the law on Equal Pay Compensation in the UK was incompatible with community law until July 2003. It is clear, therefore, that the UK government’s failure to put Equal Pay law on a sound statutory footing at the time of the Department of Employment review in 1993 seriously undermined the ability of local government employers and trade unions to accurately project the costs of equal pay during single status negotiations in 1999.

**Conclusion**

The issue for the Finance Committee is not whether the UK government has a binding legal obligation to compensate employers and employees for their failure to legislate competently on equal pay. The question before the committee is whether local government employers can be blamed now for a lack of foresight in 1999 and penalised for not anticipating that equal pay compensation would reach the levels we are familiar with today.

There are two issues that must be borne in mind. The first is the simple point that local government employers were entitled to assume, in 1999, that they should negotiate single status with reference to the terms of equal pay law as determined by parliament at that time. The second point is an extension of the first. Employers are now aware that, in the light of the 2003 regulations, equal pay liability now extends back over five years. However, had an employer made a payment of compensation spanning five years back in 1999 then, in the absence of a legal justification, such a payment might have been considered ultra vires.

The single status agreement is a product of the legislation which existed at the time the agreement was signed. Given that we now know that legislation to be flawed, it would be unreasonable to criticise local government for costing equal pay compliance in accordance with the national law set down at the time in question. The fact that authorities now have a substantially greater liability to manage is significantly attributable to the UK Government’s failure to legislate on equal pay in compliance with the binding obligations of community law.

We believe that both local government employers and trade unions wish to reach fair settlements both in terms of long term fair pay structures and compensation for past discrimination. No one wants lengthy disputes or to divert scarce public resources to the lawyers through litigation. However, the current very tight local government funding settlement does not provide for the cost of this long standing obligation.
For further information please contact:

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SUBMISSION FROM T&G SCOTLAND

T&G SCOTLAND is the Scottish Region of the Transport and General Workers Union (TGWU). T&G Scotland represents around 80,000 working people and their families throughout Scotland. T&G membership is across all industrial sectors and the union is committed to advancing the interests of workers in the workplace and in the wider community.

As a representative of thousands of local government workers in Scotland, we welcome the opportunity to submit evidence to the Finance Committee’s Inquiry into the financial implications of the equal pay aspect of the Single Status Agreement.

The T&G is committed to achieving equal pay and closing the gender pay gap in all of its bargaining areas, this being a particularly critical issue within the public sector. There have been significant developments within the public sector in recent times and negotiating strategies to tackle equal pay have led to T&G involvement in harmonisation and single status within Local Government, the NHS, MOD and in Further and Higher Education.

The T&G in Scotland is working to resolve the issues around the implementation of Single Status. We want to negotiate with employers to implement fair pay and compensation. Our aims are to:

- Ensure that our members get fair and equitable employment packages including good pension, holiday and sickness provisions.
- The retention of jobs and services
- Comprehensive protection packages for our members who might suffer detriment
- Financial support from the Scottish Executive.
- Greater work and reward opportunities for our members through job enrichment and alternative career paths.

The union’s priority is to achieve equal pay through collective bargaining but where the employer is not willing to co-operate the union will consider alternative strategies which will include industrial action and litigation. However, in terms of Local Government in Scotland, there has clearly been insufficient progress in implementing Single Status and addressing the issue of retrospective pay for many of our female members who have been on lesser pay than their male counterparts.

The modernising effect of single status goes wider that equal pay but it is this issue which accounts for the problems being faced by employers and employees in Scotland. Equal pay between women and men is a binding legal obligation and the unions have asked the Local Authority employers to meet their obligations in this area. The Single Status Agreement was agreed with Local Government employers in 1999 and was due to be implemented by 2002. During this period the Local Government Trade Unions have been reasonable with the employers recognising that this was a massive
undertaking, both in financial and logistic terms. Some progress made in some authorities, however, the fact remains that the overall lack of progress by the employers has left us in the current situation with all its financial implications.

We are aware that Cosla has estimated Scotland's 32 Local Authorities face a compensation bill of up to £560m for implementation of Single Status and a £200m bill in bringing manual and office workers' pay into line. We also understand that the Finance Committee has been informed by Cosla that it will impossible to fund the implementation of Single Status and retrospective payments without more resources from the Scottish Executive.

Estimates of the potential costs associated with implementation of the Single Status Agreement have been highlighted to the committee previously. We would argue that these figures can not be seen in isolation and real examples of the actual costs that some authorities in the UK have sustained through going through this process should be considered.

The base cost of implementation will be determined by the construction of equality proof pay and grading structures through a job evaluation process that will, in turn remove bonus and allowance payments previously not made available to female workers. The evaluation will also increase pay for jobs of predominantly female workers e.g. cleaning, catering and home care.

A real example of the actual cost implications for one Local Authority in England with 7,000 employees, resulted in £2million of extra cost being added onto the pay bill. Additional associated costs of paying out one-off payments to workers who had suffered detriment – protection over 3 years - amounted to a further £2.2million.

Through current legislation and employment tribunal rulings it is now proven that many women workers in Local Government would win employment tribunals on the basis of sex discrimination and equal value claims. The Trade Union's preferred position is to negotiate retrospective payments for our members who have suffered detriment and there has been much speculation in terms of what the cost to Local Authorities would be to fund these payments.

Again, looking at a real example of cost and the amount of workers entitled to compensation on the basis of agreements and litigation in England. In an authority of 7,000 workers, settlements reached with manual workers claims (the workers predominantly effected in Scotland) some with external lawyers but the vast majority through the trade unions, it was agreed that there would be legitimate claims of 1,700 employees. The settlements had a ceiling of £6,000 for workers, however, estimates of the highest level of payments that a worker could have received had they gone to an employment tribunal was £30,000. The overall cost of settlement in this authority was £6.9million. Local Authorities and Trade Unions estimated if all parties had proceeded to employment tribunals it would have cost the authority up to £29 million, which would have had to be funded through job losses.
The same local authority also has 300 tribunal applications lodged against them for APTC women workers. The estimate of the total that could pursue claims in predominately female work groups is about 1,500. These are new applications and have not been previously tested. However, legal opinion is that it may be difficult to defend these cases.

Finally, it should be remembered that cost implications will be ongoing arising out of current employment tribunal cases. A recent employment tribunal found that “protection” afforded to mainly male workers discriminated against women. Thereby entitling women to make a claim for the equal value of “protection” payment made to men. This case will be heard at the EAT in London very soon. Again we understand that legal council on behalf on the authority involved are not confident of defending the case.

The trade unions have major concerns about potential job losses and cuts in services in light of the cost implications for local authorities should the Scottish Executive not recognise the massive cost that litigation will mean for local authorities. And it must be emphasised that this is not speculation and the amount of litigation that is being pursued in Scotland, and in the UK as a whole, around this issue by trade unions and especially by “no win no fee lawyers” is on a steady increase. The local authority in England that we refer to has over 300 outstanding claims, and it is estimated that claims could rise to 1,500. We also understand that the authority’s legal council is not confident that they can defend all the cases.

The financial implications can be extrapolated from the example of the costs borne in the authority in England we have referred to, in terms of what this would mean for Local Authorities in Scotland.

In light of this, we would like to highlight again that we have major concerns that some Local Authorities may seek to fund equal pay by cutting jobs and services. Indeed, rather than meet equal pay obligations many authorities have threatened job cuts, mass outsourcing and sacking all staff and re-engaging them on lower pay and terms and conditions and large increases in council tax.

The local government trade unions are agreed that the Scottish Executive cannot continue to maintain its stance that this is a private matter between local government employers and employees. In terms of the commitments that the Executive has made in relation to improving public services and in relation to tackling inequality they must recognise the implications that this situation has upon these commitments being delivered. The Scottish Executive has previously supported pay modernisation in areas such as health and education, and with 80% of Local Government funding coming from Executive, we believe they have a role to pay in addressing the situation.

Attempts to redress equal pay in Local Government will fail unless more funding is made available to local authorities to implement the Single Status Agreement. It is entirely unacceptable that local councils have failed to
implement the agreement almost seven years after it was reached, and the lack of funding is jeopardising attempts by councils and trade unions to redress gender pay gaps. Unions are working with local authorities across the country to implement equal pay agreements but there should have been much more significant progress since the agreement was reached. However, Local Government employers have not been granted the flexibility to modernise employment in a manner comparable with secondary or higher education, health or other public services in Scotland. Local councils are up against enormous funding pressures, including on pensions, which means that it is very difficult to prioritise equal pay in a sector where pay is already low. It is quite clear that government intervention, in the form of substantial funds earmarked for equal pay, should be considered.

This is also a matter of Scottish Public Policy, Local Government employers are accountable to the Scottish Parliament, and the Parliament and the Executive should be assisting in efforts to tackle inequality by both ensuring that employers meet their obligations in terms of equal pay and identifying funding to help achieve it.

Our union’s priority is to achieve fair pay for public service workers, and adequate compensation for our members who have been denied access to equal pay. Funding levels awarded to Scottish Local Authorities have not been sufficient to deal with major restructuring and we are being left in a situation where if Job Evaluation processes are not properly resourced the result will be the evaluations will be cut, the initial problem will not be addressed and services and jobs are cut to pay any costs or council tax is increased.

Achieving equal pay in local government in Scotland should not mean major cuts in pay and conditions, cuts in essential services nor an added burden on council tax payers. To try to rectify years of discrimination on “a zero cost” basis means that neither the local authorities, nor the government is paying for it – local government workers and the Scottish public are!
SUBMISSION FROM THE CITY OF EDINBURGH COUNCIL

Further to the communication of 21 December 2005 from the Scottish Parliament seeking written evidence to assist its Finance Committee’s enquiry into Single Status and Equal Pay, I should make the following comments on behalf of the City of Edinburgh Council on these separate issues:

**Equal Pay**

Compensation paid in settlement of claims for historical pay inequalities will fall within a spectrum which ranges from £25 - £70 million.

The lower end of the spectrum i.e. £25 million, represents the situation whereby those claims perceived as valid from predominantly female manual worker groups will be settled through compromise agreement. This sum would include the cost of defending some claims at employment tribunals.

It is the view of City of Edinburgh Council that claims from non-Manual Worker groups of staff would be defended. However, following settlement by other Councils the risk of claims from APT&C does exist. If settlement were made to these groups this would increase the minimum costs to £40m.

Should all claims, however, proceed to Employment Tribunal and succeed there, then the costs of awards arising from that process for the same groups are estimated at £70 million.

The funding strategy to deal with equal pay claims has not yet been agreed. We are exploring options that include the possible use of Council reserves and the sale of assets. The Council would hope not to have to increase Council Tax to fund equal pay.

**Single Status**

Until the job evaluation exercise is complete, and jobs assimilated onto a new pay and grading structure, it is not possible to establish the precise costs of implementing Single Status.

Estimated costs are therefore based on limited information available from other Scottish local authorities which identifies the cost of implementation ranging between 2% - 6% of the core paybill.
In this Council, such percentages would translate to between £7 - £20 million per annum, with the intention being to manage costs at a 3% (£10m) estimate.

In addition to the costs of implementing the new pay structure we anticipate having to remove existing bonus schemes. The one-off cost of buying out bonus is estimated at £8m which again may be funded from one-off sources.

Savings would have to be identified to fund the implementation of Single Status, and service areas are being examined to determine where efficiencies might be made. Other areas where savings will be identified include:

- Implementation of the Modernisation Agenda
- Design and implementation of a new framework of Working Time Payments
- Flexible working and job redesign

Ways are being examined to fund the potential liability within previously agreed proposals to increase Council Tax by 4% for 2006/07.

Clearly, however, if this burden had not arisen then impact on services would be less and/or efficiencies being identified could have been deployed to limit Council Tax increases to a lower figure. The impact of £10m per annum of expenditure on Council Tax in isolation would be almost 5%.

TOM AITCHISON
CHIEF EXECUTIVE
Aberdeenshire Council is grateful for the opportunity to comment and provide information on the implementation of equal pay legislation as it affects this Council. We would also wish to take the opportunity to comment on the wider implications for Scottish local government and to express our concerns over the figures which have recently been provided to the committee by CoSLA.

There are two clear aspects to the implementation of equal pay legislation. Firstly, is the implementation of equal pay through the use of a national job evaluation framework. This involves the evaluation of all jobs within each Council as a single employer, and the consequent amendment of pay rates up and down to ensure that at the end of the exercise all employees within one Council are paid fairly compared one with the other.

This work has been completed in Aberdeenshire and the future cost of implementing the findings is estimated at between £12 and £14 million per annum.

The second aspect is the potential for retrospective equal pay claims arising in the case of employees whose jobs have been evaluated and as a consequence have experienced an increase in the rate of pay. Such employees have the option to lodge equal pay claims, either through their Trade Union, one of the no-win no-fee lawyers, or directly with an employment tribunal. Such a claim would be for five years prior to the date of the claim being lodged. While it may seem illogical or even immoral for an employee, having freely entered into a contract of employment five years ago, to now be able to seek a retrospective pay award regardless of his or her original contentment with the contract, the legal advice received by all councils is that there is in fact a valid case under the equal pay legislation. The potential cost of such claims within Aberdeenshire Council is estimated to be up to £62 million. These claims would represent a one-off non-recurring payment.

The committee will have received information from CoSLA which suggests that the costs of equal pay legislation across the whole of Scotland will be between £310 million and £560 million. It should be emphasised that these figures are simply for the retrospective element and do not include the ongoing costs. Aberdeenshire Council has expressed reservations and concerns over these figures as we believe they are understated by a considerable amount. The figures which have been submitted by all councils to CoSLA were based on a common formula or matrix for calculating the potential amount due.

This matrix was based only on three groups of employees – cleaners, carers and catering staff, and also made assumptions about a percentage settlement which had already been rejected by the Trade Union side. There are in fact many other groups of employees with potential retrospective equal pay claims, and within these groups there are employees who have already intimated such claims to the Trade Unions and to lawyers. To give the committee an indication of the scale of the variance between what Aberdeenshire believes is a realistic worst case and the figures given by CoSLA, the figures for Aberdeenshire Council using the CoSLA matrix indicated costs in the range of £9 million to £11 million, depending on the treatment of national insurance and pension contributions from the employer. Our
worst case estimates are in fact in the range of £51 million to £62 million and it is known that other councils have similar differences between the figures submitted to CoSLA and their own worst case scenarios. This difference therefore will be reflected to a greater or lesser extent across all other councils so that nationally the worst, yet not unrealistic, scenario will inevitably be a much larger cost than that indicated by CoSLA.

Turning to the affordability of equal pay in Aberdeenshire, the ongoing cost of £12-14 million per annum has been covered in the draft revenue budgets from 2006/07 and future years by a combination of draconian cuts in expenditure and ruthless efficiencies and economies across the board. These have been programmed in over and above other efficiency savings which were already required to meet the Scottish Executive’s efficiency targets and to offset the already inadequate grant settlement which affects Aberdeenshire Council in particular. We have also had to bear in mind that the public appetite for continued council tax increases above the level of inflation is very limited indeed.

The cost of retrospective equal pay however has not been able to be provided for. Thanks to careful budget monitoring and husbanding of resources, the Council has been able to set aside some £7 million to go towards the costs of retrospective equal pay claims. Thus, even if the CoSLA scenario were to be realised, we have still only just over half the sum required to meet these claims. In the event of the worst case scenario being realised, to find £62 million in one financial year would be quite impossible. Without help from the Scottish Executive the only option would be for the Council either to seek powers to borrow the sum required over a period of, say, five years, or to attempt to negotiate with individual employees to secure phased payment of the sums due to them, which would then be accompanied by significant service cessation and consequent huge job losses, although these in themselves could prove unaffordable in the short term due to the redundancy payments which would attach to them. The option of borrowing is likely to be the only realistic way open to councils, although in the case of Aberdeenshire, the costs of borrowing £62 million and repaying over a period of say five years, would give an increase in the order of 12-15% to council taxpayers in addition to the normal increases required for inflation.

It can be clearly seen that any of these scenarios will tend to shake local government structure to its foundations and is really quite impossible to countenance, either from a service or a cost point of view.

In our view, the only feasible option must be for help to be given by the Scottish Executive, either by funding the cost of retrospective claims or by legislating to restrict the rights of employees to secure huge “windfall” payments at the expense of the jobs and pockets of local communities.

Charles Armstrong
Director of Finance
24 January 2006
SUBMISSION BY DUMFRIES AND GALLOWAY COUNCIL

Dumfries and Galloway Council wishes to place on record its endorsement of, and support for, the submission on the above made by COSLA and is also grateful to you for allowing flexibility over the date of its submission to the Committee inquiry. This Council is committed to working closely with the Scottish Executive to achieve efficiencies through the modernisation of services. However, the current difficulties financing Equal Pay and Single Status settlements are likely to obstruct further progress unless there is an intervention by the Executive. In particular Dumfries and Galloway Council would ask the Committee to note:-

1 Equal Pay - settlement of high-risk groups is what Councils, including Dumfries and Galloway Council, are seeking to achieve. As noted this carries a substantial cost on its own. A negotiated settlement for Dumfries and Galloway equates to a minimum 4% impact on the pay bill or 1.6% of the budget and falls to be paid in the 2006/2007 financial year.

2 Equal Pay – if less high risk groups have to be agreed or are successful in pursuing claims at law very substantial additional cost, potentially more than three times as much, will be incurred.

3 The prospect of litigation and legal cost is daunting and the damage is not only in financial terms but will be negative in terms of Industrial Relations and public relations.

4 Single Status – while equal pay deals with high-risk groups Single Status is designed to simultaneously address pay equality for the future whilst facilitating the modernising agenda by introducing modern reward systems. However, this ongoing cost is likely to be very costly, as can be seen from the reformed pay structure in teaching and NHS. In Dumfries and Galloway’s case this equates to 5% of the pay bill or 2% of the budget. Unlike teaching and NHS there is no funding being provided by central government for this major impact on local government budgets. If no settlement is reached then clearly this exposes Councils to risk including industrial and legal action. Alternatively if no new funding is available the prospect of costs to services and jobs looms, again with a prospect for industrial action. In turn the likelihood of modernising this part of government diminishes greatly at a time when the Executive is looking to progress public sector integration in the design and delivery of frontline services.

5 Funding – Executive assistance in funding the consequences of these nationally agreed initiatives which are based on the application of European law is essential to help reduce the difficulties and impact on delivering and financing Council services which will arise if central government support is not provided. Dumfries and Galloway Council commends COSLA’s comments and re-iterates the scale of the very real
pressures and the difficulty local government will have in addressing them on its own.

Yours sincerely

Philip N Jones
Chief Executive
Finance Committee

3rd Meeting 2006 – Tuesday 31 January 2006

Scrubtny of Financial Memorandum – Evidence on the Bankruptcy and Diligence etc (Scotland) Bill

1. The Bankruptcy and Diligence (etc) (Scotland) Bill (“the Bill”) was introduced to parliament on 21 November 2005. The Enterprise and Culture Committee has been designated the lead committee for the Bill at Stage 1.

2. The Finance Committee agreed at its meeting on 10 January to adopt a level 3 approach to its scrutiny of the bill. Specifically, the Committee agreed to issue its standard questionnaire to potentially affected organisations and take oral evidence from the Accountant in Bankruptcy and Scottish Court Service followed by evidence from Executive officials.

3. The evidence session on 31 January will consist of one panel of representatives from the Scottish Court Service and the Accountant in Bankruptcy. The Committee will then take evidence from Executive officials on 7 February.

4. The following responses to the questionnaire have been received so far and these are attached:
   - Accountant in Bankruptcy (AiB)
   - Scottish Court Service
   - Institute of Chartered Accountants of Scotland
   - Registers of Scotland (RoS)
   - Society of Messengers-at-Arms and Sheriff Officers
   - Credit Services Association

Roz Wheeler
Senior Assistant Clerk
SUBMISSION FROM THE ACCOUNTANT IN BANKRUPTCY (AiB)

Introduction

The Accountant in Bankruptcy (AiB) is an Agency of the Scottish Executive Justice Department. We operate independently and impartially whilst remaining directly accountable to Scottish Ministers for the standard of our work. The Chief Executive of the Agency, Gillian Thompson, is the Accountant in Bankruptcy and is appointed as such by Scottish Ministers under Section 1 of the Bankruptcy (Scotland) Act 1985 (as amended).

AiB is a supply-financed Agency of the Scottish Executive Justice Department and is accounted for under the Scotland Act 1998. AiB operating costs are partly funded through recovery of sequestration administration costs from debtor's estates and through direct grant-in-aid from the Justice Dept. In the financial year 2004 – 2005, AiB operating costs were £8.5m, of which £4.5m was cash funding required from the public purse. The remainder of expenditure was recovered from sequestrations. ¹

Bankruptcy and Diligence etc. (Scotland) Bill

Consultation

The Scottish Executive, Bill Team has been in regular discussion with us during the drafting of this Bill. We provided an assessment of the potential impact the introduction of this Bill would have on AiB operations and funding.

The Financial Memorandum summarises the key proposals of the Bill. We anticipate the main financial impact on AiB would be from the introduction of new work to AiB:

1. Debtor petitions to be received and awarded by AiB. This work to be transferred to AiB from the Scottish Courts.
2. AiB to undertake greater supervision of the protection and administration of Trust Deeds.
3. AiB to administer Bankruptcy Restriction Orders/Undertaking and Income Payment Orders/Arrangements.

The new work would require development of our IT systems.

Costs

Our predicted expenditure has been calculated using a number of assumptions as to the amount of work that would be generated for AiB with the introduction of the Bill. We anticipate we will receive a large increase in the number of callers to our office as a result of the debtor petitions coming to AiB. A new team would also be established to process Bankruptcy Restriction Orders and Undertakings.

(http://www.aib.gov.uk/Statutory%20Documents/AnnualReport_04-05.pdf)
We would require additional permanent staff to deliver these functions. We anticipate starting recruitment during 2006/07 and have estimated recruitment and staff costs would be £457,000 in that year.

We have estimated a cost of £800,000 for the development of our IT system to deliver the reforms. Until we have completed the tendering process this figure can only be an estimate and may be subject to change as the project progresses.

If our predictions are accurate, we would be able to meet our estimated costs in full from funding secured for 2006/07 and 2007/08.

**Wider Issues**

The Justice Department has begun a consultation on changes to protected trust deeds. We have provided an initial assessment as to the impact on AiB and any additional funding would require cover from the Justice Department.
SUBMISSION FROM SCOTTISH COURT SERVICE

Thank you for your letter of 11 January enclosing a questionnaire on the Financial Memorandum produced to accompany the Bankruptcy and Diligence Etc. (Scotland) Bill.

Consultation

Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

The Scottish Court Service (SCS) participated in the consultation exercise firstly on the consultation document ‘Personal Bankruptcy Reform in Scotland - a Modern Approach’ in February 2004, and secondly on the draft bill and consultation document ‘Modernising Bankruptcy and Diligence in Scotland’ in September 2004, to the extent of:

i. identifying where the proposed changes would have resource implications for the SCS, and

ii. seeking consultation in the course of the drafting of the Bill, in particular seeking estimates of numbers of applications expected so that resource requirements could be reflected in the Financial Memorandum.

Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

Yes.

Did you have sufficient time to contribute to the consultation exercise?

Yes.

Costs

If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

The figures provided in the Financial Memorandum reflect the submissions we made to the Scottish Executive, and these were arrived at by applying the cost per case to the volume of cases which the Scottish Executive estimates will arise out of the Bill.

Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

We are content that the estimates set out in the Financial Memorandum are sufficient to deal with the level of increase as estimated by the Scottish Executive.
Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

The principal area with potential bearing on SCS operations relates to the implementation of the Information Disclosure Scheme. We were able to draw broad conclusions from the initial consultation paper and latterly to consider the procedures to be adopted on a by case basis, albeit these have still to be worked up in detail. However, it is not yet clear what the volume of cases will be. The figures in the Financial Memorandum in that respect therefore represent an informed estimate of the costs which will vary depending on the volume of applications. The set up costs given in the Financial Memorandum for a centralised unit reflect a proposed commencement date of 2009.

Wider Issues

If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

Not Applicable

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

No.
SUBMISSION FROM INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND (ICAS)

Dear Rosalind

Thank you for the questionnaire which you have sent to ICAS, seeking views on the financial assumptions and implications of the Bill. We have taken part in the consultation on the Bankruptcy section of the Bill only.

We have not commented on the financial assumptions or implications made within the Bill, because we believe that it would be difficult to do so as the Bill currently stands. It is silent on 4 crucial topics, which would have a financial impact on our members and on how the Bankruptcy system in Scotland currently functions.

- The criteria for “Apparent Insolvency” which is the test by which debtors can become bankrupt
- The future role of the Trust Deed
- The Debt Arrangement Scheme which was introduced 12 months ago and has not been widely used to date
- Any new “no income, no asset” procedure.

To comment on the financial assumptions already made within the Financial Memorandum would require knowledge of how these projections were arrived at. It is not possible for ICAS to say at this stage whether or not we can agree or disagree with the assumptions of the civil servants who have put the figures together.

Yours sincerely

MIKE HATHORN
President
SUBMISSION FROM REGISTERS OF SCOTLAND (RoS)

Dear Ms Wheeler

Thank you for your letter of 11 January requesting comments on the Financial Memorandum for the Bankruptcy and Diligence etc. (Scotland) Bill. I attach the questionnaire duly completed. If, however, you or your Committee have any further questions I will be glad to hear from you.

Yours sincerely

JAMES MELDRUM
Keeper of the Registers of Scotland
and Chief Executive

Consultation

1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

Registers of Scotland (RoS) took part in the formal consultation on the draft Bill. We have also been in dialogue with the Scottish Executive and Scottish Law Commission throughout the development of those policies and provisions that have material implications for RoS and the registers which we maintain.

The only part of the Financial Memorandum relevant to RoS is that relating to floating charges at paragraphs 702 to 714. The costs discussed here were not the subject to financial assumptions in a consultation document and we therefore did not comment upon them in that manner.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

This part of the Financial Memorandum is based on information and comment provided to the Scottish Executive by RoS, together with some data obtained from Companies House. Our comments are accurately reflected.

3. Did you have sufficient time to contribute to the consultation exercise?

Yes.

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

Yes; insofar as the financial implications for RoS can be forecast at this time, these are accurately reflected.
5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

Yes. As noted in paragraph 704 of the Financial Memorandum, over time the proposed Register of Floating charges will be financially neutral for RoS, with the costs associated with the Register, including development costs, being paid for from registration fees. We are in a position to bear the development costs until such time as they are recouped from registration fees.

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

Yes.

Wider Issues

7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum

We are not aware of any current wider policy that would place associated costs on RoS.

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

The Regulation making power at section 31(8) of the Bill could in principle be used to make unexpected stipulations about the format and keeping of the Register of Floating Charges adding to the costs and effort that we currently envisage. However we do not foresee any issues in practice as we would expect to work closely with the Scottish Executive on the terms of Regulations.

ROS
23.1.06
SUBMISSION FROM SOCIETY OF MESSENGERS-AT-ARMS AND SHERIFF OFFICERS

Consultation

Q1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

Ans:  
(1) Yes  
(2) No  

Q2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

Ans: Not Applicable  

Q3. Did you have sufficient time to contribute to the consultation exercise?

Ans: Yes  

Costs

Q4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

Ans: Not Known  

Q5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

Ans: At the present time, the Society of Messengers-at-Arms and Sheriff Officers has the responsibility for the training and examination of officers of court and for their Continued Professional Development. The Society currently has to fund these services. The Bill transfers responsibility for these services to the new Scottish Enforcement Commission. However, it is anticipated the Commission make ask any new professional association to continue to administer these areas and the Society wishes consideration to be given to the costs for the running of this. The new Commission will also be responsible for disciplinary procedures in respect of officers. However, it is anticipated the new professional association may be approached for assistance in the investigation procedures in individual cases and the question of costs would require to be considered.

Q6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

Ans: Not Known
**Wider Issues**

Q7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

Ans: Not Known

Q8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

Ans: (1) Yes
    (2) No.
SUBMISSION FROM CREDIT SERVICES ASSOCIATION

Consultation
1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

Response: 
The association received only the first consultation “Personal Bankruptcy Reform in Scotland”, to which it responded.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

Response: 
The first consultation did not particularly focus on cost implications

3. Did you have sufficient time to contribute to the consultation exercise?

Response: Yes, to first consultation

Costs
4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

Response: 
Our organisation represents companies which are agents of creditors, employed to recover debts. There is no cost factor to our organisation but there will be costs to our members in bankruptcy becoming an easier option.

Wider Issues
5. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

Response: 
As demonstrated by the explosion of bankruptcies in England and Wales, since the changes in rules, there are resulting costs to our member companies which appear not addressed in the Financial Memorandum. These are

- Loss of commission from cases which can not be collected due to early bankruptcy
- Loss of money in respect of expenditure for diligence actions already taken.

It appears that the Financial Memorandum looks in great detail at the cost elements associated with the actual bankruptcy; it does not appear to address in equal detail the cost to creditors and their agents of loosing the credits advanced to debtors and cost expended in the collection process, wasted by early bankruptcy. Whilst the Financial Memorandum records the number of past
bankruptcies, there is no forecast of expected future bankruptcies from which the loss to creditors and their agents could be calculated.

Kurt Obermaier
Executive Director
Credit Services Association
Finance Committee

3rd Meeting 2006 – Tuesday 31 January 2006

Subordinate Legislation: Negative instruments

Introduction

1. As members are aware, the Finance Committee has been formally referred the following negative instruments:
   - The Public Contracts (Scotland) Regulations 2006 (SSI 2006/1); and
   - The Utilities Contracts (Scotland) Regulations 2006 (SSI 2006/2).

2. Following the Committee’s evidence session on 24 January with the STUC and Executive officials, the Committee will formally consider the instruments at its meeting on 31 January.

3. Members are asked to bring a copy of each of the instruments to the meeting (copies were previously circulated with papers for 24 January meeting)

Subordinate Legislation Committee

4. The Subordinate Legislation Committee raised points with the Executive on the drafting of both of these instruments, and then considered the Executive’s response at its meeting on 24 January.

5. The SLC is due to publish its comments on the instruments within its report on 27 January. The relevant extract of this report will be issued to members of this Committee in advance of its consideration of the instruments.

Procedure

6. These instruments are subject to negative procedure. Unlike affirmative instruments, negative instruments cannot be voted on by committees unless a member (any member of parliament) lodges a motion to annul the instrument i.e a motion proposing that nothing further be done under the instrument. Any such motion should be lodged at the Chamber Desk as far in advance of the Committee meeting as possible.

Roz Wheeler
Senior Assistant Clerk