

Draft Scottish Budget 2015/16

October 2014

While the headlines in the budget are around the fiscally neutral new taxes, it is the budget allocations that matter more to UNISON members. Branches should also remember that these are Scottish Government allocations, not necessarily new money. When branches sit down with public sector employers they will also bring a list of other spending commitments to the table.

Over five years the Scottish budget has been cut by around 10% in real terms with the Capital budget facing a real terms cut of 26% as a result of the UK Government's austerity programme. For the coming year this means a 1.7% real terms cut in the budget.

The main method of meeting this budget reduction in Scotland is by a further cut in the real wages of public service workers. The new Scottish Government pay policy caps basic pay at one per cent for those staff earning above £21,000. That's 1.4% below the rate of inflation (RPI 2.4%) and of course comes on top of years of pay cuts. There is a continued commitment to paying the Scottish Living Wage and guaranteeing a minimum increase of £300 for staff earning less than £21,000.

Other headlines of interest to UNISON members include:

- A real term increase in the NHS budget of £80m. It remains to be seen if that will cover the increased demands on health boards, highlighted in recent leaked reports.
- The local government revenue grant is cut in real terms, with the exception of additional funding previously announced for free school meals. Extra revenue is anticipated from non-domestic rates and some additional capital leaving an overall standstill budget. The Council Tax freeze continues for the eighth year with no increase in funding. Local government remains the only major spending portfolio to have a cash cut since the financial crash.
- An extra £125m for housing that should underpin the building of 4000 new social homes.
- The spending to ameliorate the impact of UK government welfare cuts remains at £81m, including £35m on the Bedroom Tax.
- Police budgets are cut in line with the planned 'reform' savings of £130m. Police numbers are maintained at the continued expense of civilian staff. Best value principles are ignored.
- There is a slight increase in college spending and HE remains unchanged.
- An additional £16.6 million to take forward recommendations of the Commission for Developing Scotland's Young Workforce.
- Scottish Water's interest repayments put another £100m back into the Scottish budget.

The increase in infrastructure investment will primarily be funded through a growth in PPP schemes. £2.5bn of these projects are now in the pipeline.

Overall there is little in the budget that was unexpected. Pay, local government and police take the biggest hit in the choices the Scottish Government has made in implementing the UK government's ideological attack on public services. The full draft budget can be viewed [here](#).

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