



To: Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution
From: SJC Trade Union Joint Secretaries
Date: 1st May 2018
Subject: COSLA Pay Offer For Local Government Workers

- Sent by e-mail -

Dear Derek,

We write further to your department's letter of 25th April 2018 which was in response to our letter to you of 29th March 2018, regarding the COSLA pay offer for local government workers.

To say we are disappointed with the response we have received would be to understate our position.

Setting aside the fact that you chose not to respond to us yourself the response we have received demonstrates contempt for the members we represent.

Between us our three trade unions represent the vast majority of the local government workforce. In our letter we requested a meeting with you to discuss our serious concerns about the financing of local government and the impact that it is having on our members' remuneration. The reply we have received does not even acknowledge this request.

We find it incomprehensible that a Government Minister of your standing is not prepared to find the time to sit down and discuss the genuine concerns of such a large group of public sector workers with their representatives. We would urge you, in the strongest terms, to reconsider this position.

On the substantive issues we would make the following points:

Local Government Funding

The reply we received states *"the Scottish Government are providing local authorities with a revenue funding increase of £174.9 million in the 2018-19 Local Government Finance Settlement, taken together with the extra £77 million that will be raised through the council tax, councils will have access to an additional £251.9 million in revenue funding this year."*

This response fails to recognise that between 2010-11 and 2017-18 overall funding for local government, under your administration, fell by 8% in real terms. It fails to recognise that whilst the Scottish Government has provided funding for new policies on childcare, schools and indirectly for social care, the funding of core council services has reduced by £590m.

And it fails to recognise that 9 out of every 10 public sector jobs lost in Scotland due to austerity have been from local government.

The funding you provide in the 2018-19 Local Government Finance Settlement barely allows local government to 'stand still' in real terms, even though this year the Scottish Government has had a cash increase in its own budget from Westminster of £188m. Because within this is an assumption that inflation will run at 1.4% next year. No prudent council Finance Director believes that will be the case, indeed, the OBR has forecast that CPI will be 2.4% next year and that RPI will be 3.3%.

Pay alone, which equates to 55% of the budget, will therefore cost councils double your inflation assumption, according to your own Public Sector Pay Policy. Councils will also have to find money for the usual round of 'unavoidable commitments' which include, for example, demographic change, which IJBs alone calculate at 2% per annum.

But after a decade of austerity, councils now have less flexibility in other areas of their budgets – they cannot keep increasing charges as income they receive from this drops off every year and they cannot keep taking out of their reserves.

That is why COSLA estimated that they would need £545m to actually stand still.

So, whilst the response refers to additional revenue funding, it is clear to us that you have not considered the impact of the many years of austerity that you have imposed upon local government.

Public Sector Pay Policy

Since our initial letter we note that NHS workers in Scotland have, through the recently tabled 'Pay Remit paper', been made a pay offer which extends the 3% increase to all staff earning below £80,000.

We additionally note that the Scottish Police Authority have made an offer for a 19 month deal (1 Sept 2017 – 31 Mar 2019) which would provide staff earning below £22,000 in base pay a 4% pay increase, staff earning between £22,000 and £36,500 a 3% pay increase, staff earning between £36,500 and £80,000 a 2.3% pay increase and staff earning above £80,000 in base pay are awarded £1,600.

These offers go beyond that outlined in the Scottish Government's Public Sector Pay Policy and therefore fundamentally change the premise of that policy. It is clear from these offers that it is possible for you to find additional monies to reward staff when there is a political will to do so.

We also note that there are likely to be Barnett consequentials arising from the English NHS pay deal, that will bring additional money to Scotland that the Scottish Government have not yet budgeted for. We would argue that every penny of this additional funding should be spent on public sector pay.

Parity Across the Public Sector

The response we received makes reference to the Scottish Negotiating Committee for Teachers (SNCT) and we note that you remain in negotiations with teachers on their pay settlement.

However, the principle of parity across the local government bargaining groups is long held and for good reason.

The reply we received states that *“the Scottish Government recognise the hard work and dedication of all public sector workers who continue to provide an exceptionally high standard of public service, despite the challenging circumstances.”*

If this is true you should recognise that all are deserving of a decent pay rise and not hide behind the mechanics of bargaining machinery to treat some as more deserving than others.

You are the biggest funder of local government - you cannot abdicate your government's responsibility for providing local authorities of the resources they need to give their workers the decent increase they deserve.

We remain committed to working with you and COSLA to ensure that local authorities have the funds they need to give local government workers the decent pay increase they deserve.

We look forward to hearing from you.

Kind Regards,

Johanna Baxter
SJC Joint Secretary
UNISON

Drew Duffy
SJC Joint Secretary
GMB

Willie McGonigle
SJC Joint Secretary
UNITE