

Scottish Government Budget 2021/22

January 2021

The Scottish Government announced their proposed budget on 28th Jan. This briefing outlines some of its key features as the impact on UNISON Scotland members based on currently available information. Further briefings will be produced as the Budget process continues.

Introduction

[This budget](#) was announced in unusual circumstances. Not simply the pandemic but also because the Scottish Government is uncertain of its overall financial position as it awaits the settlement from the UK Budget in March. It presents a mixed picture of expansion and cuts. The idea of a pay freeze has been rejected which is welcome, but there is little attempt to address the financial crisis facing local government. It seems clear that the Scottish Government intend pursuing a business rather than services led strategy for economic recovery after Covid. To get the Budget passed by the Scottish Parliament the Government will require the support of at least one other party, so there will be a process of amendment as the Budget Bill goes through Parliament

Personal Taxation

Income tax rates and bands are unchanged. Scottish Government is encouraging a council tax freeze.

Pay policy

[Scottish Govt pay policy](#) applies directly to members in NDPB's but will also provide the backdrop to negotiations in other Service groups. Scottish government has rejected the idea of a pay freeze and is proposing 3% increase for those on salaries up to £25,000 with a guaranteed £750, those on higher salaries receiving a 1% rise capped at £800 above £80,000. Whilst the [bottom weighting is welcome](#) the package as a whole is well short of both aspirations and indeed current campaigns (eg #OneTeam2K)

Local Government

The basic budget Local Government contains a cash increase of only £92m (0.8%). This amounts at best to inflation matching of last year's inadequate settlement. Coming a day after Audit Scotland points out that Covid has cost councils [around £767m](#) last year with Scottish Government help reaching at most 70% of that total. There are (welcome) measures to allow councils some flexibility (around debt holidays, use of reserves etc). Scottish Government claim that these could be worth up to £750m but provide little detail. It seems

unlikely that this budget will adequately provide for councils this year – nor contribute to longer term sustainability of local government. (IJB support and finances will be dealt with in a separate briefing)

Health

Health Board spending reaches £12.24bn. Overall this is a 1.9% increase, but that isn't applied across the board with some health boards receiving considerably more with others having an uplift nearer 1%. There are some noteworthy increases in spending on particular services – additional social care support is increased by 33%, Mental Health 19% and following the recent outcry over drug related deaths Alcohol and Drugs Policy funding is increased by 146%.

Further and Higher Education

The Total education and Skills budget increases by a hefty 18%. The vast bulk of this however is earmarked for Scottish Government priorities in Schools and early learning. The Scottish Funding Council budget increases by a mere 1.6%. Scottish Govt support for student maintenance and tuition is to increase by 5%. There is also a modest increase in the SDS budget.

Police and Fire

The Police Budget increases by £60m a 4.9% increase which the Scottish Government claim will remove Police Scotland's structural deficit. Scottish Fire and Rescue receive a 3% uplift.

Economic recovery

The Scottish Government continues to see economic recovery from covid as being business led rather than driven by investment in services. emphasis is on infrastructure projects, with learning and skills policies tailored to fit. The Community Wealth Building strategies that UNISON has been promoting are very much a minor note.

Conclusion.

This is a budget produced in unprecedented circumstances and, because of the delayed UK Budget, is even more provisional than usual. As the Budget Bill proceeds it will be necessary to make the argument to directing whatever additional resources become available to supporting services.



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