

SUBMISSION FROM UNISON

Introduction

UNISON is Scotland's largest public sector trade union representing over 160,000 people delivering services across Scotland. UNISON members deliver a wide range of service protecting the public: environmental health, food hygiene, meat hygiene and planning. UNISON Scotland is able to collate and analyse member's experience to provide evidence to inform the policy process. We therefore welcome the opportunity to submit evidence to the consultation on the Better Regulation Bill.

In our view there is little in this budget for jobs and growth. Whilst the UK Government have limited the choices available to the Scottish Government there are still real choices to be made, we are disappointed that the Scottish Government does not seek to avail itself of the full range of revenue raising powers at its disposal to fund public services.

Further public service jobs will be lost in the coming year, this will have a knock on effect on the private sector. Some studies have estimated this consequential job loss being at the rate of one private sector job being lost for every public sector job lost. In the last year alone the local Government Workforce dropped by 9200, with thousands more job losses already planned.

Cutting public sector jobs puts economic recovery at risk. Not only does it directly increase the costs of benefits and reduce tax income for the government it reduces the money people have to spend in the private sector. APSE have done research into the economic footprint of local government and how its boosts the local economy¹. Using Swindon as an example they key findings are:

- For every pound invested in the Street Screen services area in Swindon 64p is reinvested in the local economy. Employees who live in the area re-spend
- 52.5p in every pound in the local economy. 32.4% of the Street Scene services area's expenditure upon suppliers goes to local companies and organisations.
- When national organisations within a local branch are factored in this figure rises to 51.3p
- Local suppliers re-spend 30.8p in every pound in the local economy

The Finance Secretary announced what he described as a 'modest' 1% pay rise for those covered by the Scottish Government pay policy. This excludes the largest group of public service workers - those in Local Government. Unless local government is funded to pay even this limited increase, there is no guarantee that the largest group of public sector workers, in local government, will receive an increase. That has been the case for the last couple of years. If the budget were to be successful in its aim of stimulating the economy, there would be more acknowledgement that increased pay, particularly for low paid workers, helps the economy, especially at local level.

¹ *Creating resilient economies: exploring the economic footprint of public services* is available from APSE.

This amounts to a third successive year of a cut in real wages and will further dent consumer confidence helping prolong the slow or negative growth of the economy. *Workers are cutting back as their living standards are squeezed but companies need customers with cash in their pockets.*

In 2010/11 NHS Scotland outstripped its efficiency target by £165.18m. The lion's share of those saving came out of workforce costs, including major savings on the peripheral workforce (e.g. bank and agency usage for nursing). For the first time total staffing in NHS Scotland reduced against increasing inpatient and day patient activity. UNISON would strongly urge support for the work streams under the Efficiency and Productivity section of the Quality Strategy looking at savings in procurement of goods and services, and in particular on the expenditure on drugs. Staff have been squeezed hard over the last few years and there is a need to redouble efforts to address the considerable proportion of Health Board expenditure which goes on non-workforce items and the potential for savings.

The Scottish government maintains its support for a Living Wage policy. Whilst this is welcome, the real test of commitment would be movement to make a Living Wage integral to the procurement process for public contracts. An active policy on this issue on this issue would entirely in line with the stated policy of creating sustainable growth..

At a time when Scottish councils are facing huge financial pressures, with severe cuts to services and jobs, a council tax freeze is bad news for everyone who relying on essential council services. We are disappointed that the Scottish Government continues with this regressive and unhelpful policy. This refusal to allow Councils to make up for decreases in spending imposed centrally is having a highly detrimental impact on services which in itself is a barrier to shifting towards preventative spending

We disagree with the continued use of PPP/PFI schemes, the Scottish Futures trust, Hub initiative and other 'PFI Lite' type schemes' UNISON reiterates our proposals for: PPP/PFI contract buyouts that produce savings (A 2011 SFT review did not calculate potential savings because, it said, "termination would bring assets back into the public sector for accounting purposes and the capital budget required for this is not currently affordable"); It is essential that there is a genuine level playing field, with Scottish Government funding support offered to new projects irrespective of the proposed method of procurement. When the Scottish Government borrowing powers become available, ministers should use these and bonds to announce no more private financing of schools, hospitals and other public buildings. Similarly, while UNISON could support proposals for using pension funds to invest in public infrastructure, this should not involve investment in PPPs.

Conventional borrowing remains the most cost effective and flexible method of financing public services. It retains accountability and enables public authorities to engage in genuine consultation with service users

In terms of preventative intervention by Health Boards and public education on healthy living, obesity, sexual health etc. recent efficiency savings have fallen heavily on the Public Health service. Indeed plans are being discussed at regional and Scottish level to look at possible new models of public health service delivery, and in

some quarters questioning the need for an Executive Director of Public Health on every health board. Whilst there is potential for more collaborative and efficient working, a longer term cost benefit analysis of the public health function is required, rather than a knee jerk reaction to pressures on current Cash Releasing Efficiency Savings.

Energy

As the largest energy union UNISON Scotland has consistently argued the need for a balanced energy policy in Scotland, including a range of sources. The absence of such a policy, and the pursuit of a competitive market at all costs have led us to a position where we now face an imminent energy gap with no plan to replace current power generating capacity and insufficient renewable sources as viable alternatives. In the present energy crisis we also face rising fuel costs and increasing fuel poverty. The energy market is the problem not the cost of renewable. The high levels of fuel poverty in Scotland are unacceptable and require action as part of a Scottish energy strategy. The problem is compounded by the regressive nature of the competitive domestic energy market. The poorest customers are forced into more expensive prepayment arrangements, while richer customers paying by direct debits are rewarded with discounts on their energy costs.

Whilst the £7m that has been allocated to the Warm Homes Fund is welcome to help alleviate fuel poverty, although it is well short of what is required. The Scottish Government promised to end fuel poverty by 2016 and they should properly fund programmes to achieve this. This could not only assist with the creation of jobs, it would also be a useful preventative spend.

In order to ensure that ordinary workers do not pay the price of shifting to a low carbon economy we must invest in the creation of green energy jobs in manufacturing, engineering and construction. This should be accompanied by relevant training and reskilling programmes. The budget expresses a willingness to this but we are unconvinced that the announced initiatives can or will deliver.

While the UK Government spending cuts have limited the choices of the Scottish Government, real choices are still there to be made. Our view is that whilst they are by no means as retrograde as their Westminster counterparts, the Scottish Government have failed to fully utilise the means at their disposal they still have the opportunity to and to protect people from the worst of these cuts.

We thank the Committee for the opportunity to present evidence

UNISON
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