

Scottish Government Resource Spending Review: plans to 2027



Introduction

The Finance Secretary Kate Forbes has announced the Scottish Government's spending plans and priorities from now until 2026 - 27 in a Resource Spending Review document titled "Investing in Scotland's Future." It outlines targets to reduce the public sector workforce, expects public bodies to deliver year on year efficiencies, and keep the total public sector pay bill steady at this year's level. This briefing outlines the key issues for UNISON Scotland.

Public service reform: reforming and resetting

This is the first spending review since 2011. It outlines plans and priorities based on a real terms growth in Scottish Government Spending capacity of 5% between 2022-23 and 2026-27. This growth in spending will not be distributed evenly. Some areas will see investments, others sharp cuts. "After years of growth in the public sector...we need to reset. We need to focus on how the public sector can reform to become more efficient, giving us space to realise our ambitions for better outcomes." Kate Forbes, Scottish Parliament, 31/05/22.

Amongst the targets set are to hold total public sector pay bill costs at 2022- 23 levels, a reduction of the public sector workforce to pre-pandemic levels (this is ~ 30 000 fewer people). There is an expectation that all public bodies will deliver recurring annual efficiencies of at least 3 per cent. A reform (ie reduction) of the "the public body landscape", Shared (ie centralised) Services and reducing the number of public buildings. These measures it is claimed will deliver improved and stronger public services.

Spending by Portfolio: (see Table 1 in Spending Review doc)

Local Government

In the "New Deal for Local Government" section, it is explained that Local Government spending will be cut by 7% in real terms

over the period. This is explained by the intention to make "significant changes to functions currently delivered in full or in part by local authorities," the example given is the National Care Service.

KEY POINTS:

- **The Scottish Government has announced its spending priorities in its Resource Spending Review**
- **Total public sector pay bill costs are to be kept at 2022-23 levels, with a reduction of the public sector workforce to pre-pandemic levels – 30,000 fewer people**
- **UNISON warned of a desperate day for public services and "catastrophic consequences for communities"**
- **Some areas will see investments, others sharp cuts**
- **All public bodies are expected to deliver recurring annual efficiencies of at least 3%**



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The intention is announced to work with CoSLA and SOLACE to “strengthen the partnership” between central and local government.

Health

Spending on the health and social care portfolio is projected to increase to over £19 billion in 2026-27, an increase of 2.6% in real terms over the course of the RSR period. It seems unlikely that this will meet Government ambitions to improve healthcare.

Social Care

This receives an additional £840m which is intended to deliver the 25% previously promised over the lifetime of the parliament. This is tied in with the launch of the National Care Service.

Further and Higher Education

The joint figure announced for Further and Higher Education remains flat in cash terms over the period. This means a 9% cut in real terms.

Police and Fire

These, alongside most other elements of the Justice and Veterans portfolio receive a flat cash settlement. Meaning a 9% cut over the course of the parliament.

Initial UNISON response

Tracey Dalling, UNISON Scottish Secretary, commented: “This is a desperate day for public services that will have catastrophic consequences for Scotland’s communities. Our public services have already been cut to the bone and are struggling to cope with the increased demands placed upon them. These cuts are not inevitable, they are a political choice by an out-of-touch Scottish Government.”

STUC

Roz Foyer, STUC General Secretary, told The Ferret investigative journalism website, calling for further intervention on the cost of living: “We have suffered through a decade of UK Government spending cuts. In the midst of a cost of living crisis, we cannot allow for tartan Tory austerity from the Scottish Government to cut over 30,000 of our public service pandemic workers. Workers being tossed onto the scrapheap whilst inflation, energy and rent skyrockets is a deliberate choice from the Scottish Government.”

Overview

The Scottish Government has chosen to prioritise Health, Social Care and Social Security. The consequence of this is that other areas are facing severe cuts. The size of the public sector is to be reduced and the pay bill held flat. Again, the likelihood is that this will be applied differently to different services. If the overall policy is pay restraint, it is likely that there will be attempts at a divide and rule exercise where it is restrained more for some than others. The demanded yearly efficiency savings will put pressure on workloads. The drive to sell off public buildings will come with demands to compel home working (at a point when heating costs rise). This is an austerity programme – one that the Scottish government has chosen rather than been compelled into.

Key documents

Scottish Gov Resource Spending Review
<https://www.gov.scot/news/resource-spending-review/>
<https://www.gov.scot/publications/investing-scotlands-future-resource-spending-review/>

UNISON Scotland Response & Gen Sec on BBC Debate Night
<https://unison-scotland.org/this-is-a-desperate-day-for-public-services-that-will-have-catastrophic-consequences-for-scotlands-communities-says-unison/>
<https://fb.watch/dIsTl2a nr2/>

The Ferret: STUC calls for further intervention on cost of living crisis
<https://theferret.scot/stuc-accuse-scottish-government-of-tartan-tory/>

IFS Response to Resource Spending Review
<https://ifs.org.uk/publications/16074>

UNISON/STUC in BBC report – public sector job cuts are “unsustainable”
<https://www.bbc.co.uk/news/uk-scotland-scotland-politics-61659190>



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