

Public Sector Pay Policy 2023/24

Introduction

This briefing provides an overview of the Scottish Government's guidance for Scottish Public Sector Pay Groups in 2023/24. The pay strategy applies to directly employed Scottish Government staff and to associated agencies and non-departmental public bodies. It is also intended to act as “a reference point” for other parts of the public sector workforce including NHS Scotland, Police Scotland & the SFRS, teachers and further education workers. The Scottish Government is keen to link pay policy with its agenda of public sector reform.

Background

In May last year the Scottish Government published a Resource Spending Review. Amongst the targets it set were holding public sector pay bill costs (outside Local Government) at 2022- 23 levels and reduction of the public sector workforce (again outside local government) to pre pandemic levels. This is a reduction of 34 000 jobs.

Other targets set included 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. In this that it is for individual public bodies to determine the target operating models for their workforce and ensure that plans and projections are affordable this year and in the medium term. This seemingly greater flexibility undercut by budgeting decisions to reflect Scottish Government priorities.

Wage Recommendations

The key features in relation to wages are implementation of the Real Living Wage of £10.90 per hour (this to include apprentices and Internships). A suggested cash underpin of £1,500 for staff earning under £25,000. A pay award floor of 2% with a recommendation of 3.5% and a maximum of 5% in both cash and pay bill terms. Bonuses (“Non consolidated performance related pay”) remain suspended. Chief Executive salaries should be capped at the same cash amount as the lowest paid. As is usual it is stated that nothing in the strategy is intended to interfere with pay progression.

KEY POINTS:

- **Scottish Government have followed UK Government in a recommendation of 3.5% for most staff.**
- **The pay strategy document is explicit in linking pay with the “size and shape of the workforce”**
- **Employers are expected to introduce a ‘Right to disconnect’ policy.**
- **Organisations can apply to be exempted from the no compulsory redundancy guarantee.**

Non wage recommendations

The strategy repeats the Scottish Government commitment to delivering commits to delivering a 4 Day Working Week public sector pilot. Employers are to be required to implement 'a right to disconnect' policy. This is to "allow staff to feel able to switch off from work " thereby 'discouraging an "always on" culture". Employers are also encouraged to work towards standardising a 35 hr working week. This is to be delivered through negotiations but with no loss of productivity.

Pay and Reform

It is made clear at several points in the pay strategy document that "Reform of Scotland's public services is a priority". Negotiations around pay are expected to take account of workforce and wider public service reform to ensure fiscal sustainability. Pay settlements are to reflect budget settlements from the Scottish Government "drawing as appropriate on business efficiencies and workforce changes" to make them affordable. As a result "bodies may need to consider the size and shape of the workforce to ensure affordability"

Changing the shape of the workforce is explicitly linked to the encouragement of employers to explore multi-year deals. This is described as a "public sector reform approach" to pay. It is also stated that pay awards may require public bodies to change how they operate to ensure they remain within budget allocations.

Reform and Redundancy

The pay strategy is clear that the Resource Spending Review provides the backdrop ("financial certainty") behind the pay review. This was predicated on a large drop in the numbers employed in the public sector. Rather than directly pursue this target the Scottish Government have decided on a tactic of directing changes using their budget allocations. There is a clear intention throughout the pay strategy document to link the size of the workforce and pay policy.

The pay strategy gives conflicting messages about the role that redundancies are to play in delivering headcount reductions. On the one hand it is stated that that where workforce reductions are required they expect This to be through "natural turnover wherever possible" – it is also stated that the policy of no compulsory redundancies has mean that it has been difficulty for employers to "reshape their organisations in line with delivery priorities" – or 'deal with cuts' as other might put it. Workers apparently might be "locked into jobs that are unsatisfying or potentially no longer required" as a consequence of a no compulsory redundancy agreement.

No compulsory redundancy, but...

The pay strategy document repeats several times that a no compulsory redundancy policy remains in place. It ius then explained that pay negotiations may require "the reduction or reprofiling of the workforce". At this point it is made clear that the no compulsory redundancy policy is a "strategic position" – and that if an organisation thinks it is necessary reverse their no compulsory redundancy position. This will be considered by the Scottish Government on a case-by- case basis.

Additional reading

- [Scottish Government public sector pay Policy 2023-24](#)
- [The right to disconnect](#)
- [Scottish Living Wage](#)
- [Briefing on the resource Spending Review \(May 2022\)](#)



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