

## There Is An Alternative

**T**he UK Government's austerity programme means that by 2020 public services spending in Scotland will be cut by a massive 12.5% in real terms since 2010. However, there is little in the Scottish Budget Bill that increases the money available to combat this austerity. This is the first year of the Calman powers over 10p of income tax (SRIT), but the Scottish Government is not using it.

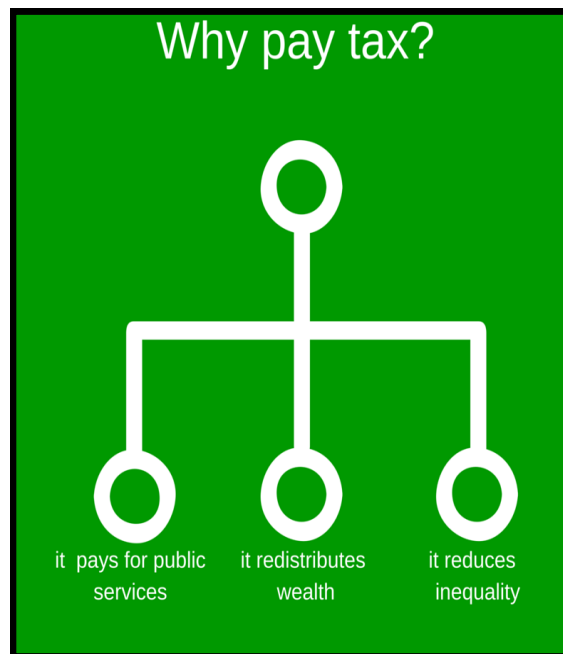
We agree that the UK Government has imposed massive cuts by choice, not necessity. However, the Scottish Government has choices too and is shunting austerity onto councils, with devastating consequences for services and jobs. As COSLA said on 8 February, the financial settlement for local government is

*"undeliverable without an unacceptable level of cuts to services and staffing."*

Local authorities have been forced into a financial settlement by draconian financial penalties. This year's budget is taking 3.5% or £350m out of local government, which is 5.2% or £500m in real terms. Unavoidable commitments, such as employer National Insurance contribution increases could double the cuts. As well as direct reductions to services, this could mean another 15,000 job cuts for local councils.

The £250m for social care is welcome. However, this is being routed through the NHS budget and we have not been provided with any detail as to how much is to be allocated for staffing and how the Scottish Government will ensure that the Scottish Living Wage will actually be paid.

We welcome the Scottish Government's decision, to take UNISON's advice and relax the overly prescriptive loan fund rules. This could result in significant extra funds. Alongside tax increases we believe that the Scottish Government and local



authorities could use existing and new powers to refinance PPP projects and other expensive forms of borrowing.

The Scottish Government has stated that it will seek to mitigate the worst effects of these cuts. It used to be the case that they did not decide the size of the budget, merely how it is divided up. Those days are over and while we agree that the Calman powers not perfect cuts to services at the level proposed are much worse.

As departing CoSLA Chief Executive Rory Mair said: *"Scotland and local government have the power to raise more tax. So why are we keeping tax the same and making public service cuts? That's the very definition of an austerity budget. If you self-deny the ability to raise more money and you decide that the way to deal with a downturn in resources is to cut, however you dress it up, that's an austerity budget"*

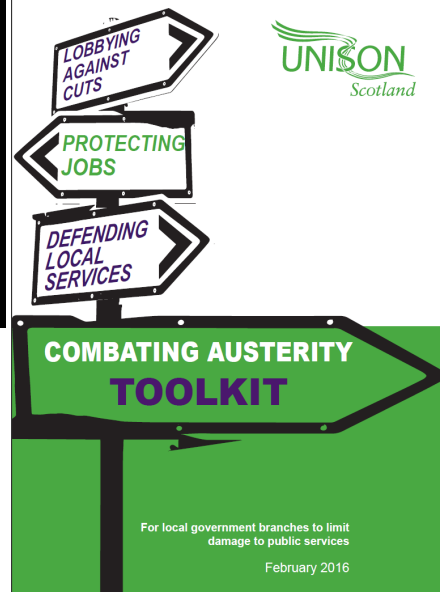
Its time to use the powers we have to protect services and make Scotland fairer.

Three things to do today:

- [Use the new toolkits to fight cuts](#)
- [Read about more IT failures](#)
- [Ask a friend to join](#)

## Action Stations

**T**here are a range of materials available to support branches in their campaigns against cuts. The Combating Austerity [Toolkit](#) is the best starting point.



It contains

- 11 point checklist to get you started planning your campaign.
- Alternative ways to increase budgets links Key information and guides to support analysis of employers plans
- Lobbying guide

Also available are an ever growing set of research reports on the impact of cuts on public services; Most recent reports include use of [ICT](#), [Librarians](#), [FE Colleges](#) and Registrars.

**Oops!**  
**We did it again**



## Do We Ever Learn ?

**T**he new NHS 24 IT system is now £41.6m over budget and far from complete. The Public Audit Committee (of the Scottish Parliament) is unsurprisingly conducting [a review](#) of how this has happened. The former Chief Executive told MSPs that he felt let down by a senior colleague that "didn't advise him at all".

### Why do Chief Executives sign contracts that they have not checked with relevant staff?

He is also claiming that he was not told of a fundamental flaw in the system for 22 months and that junior staff were aware of omissions in the contract but didn't let him know. This leaves 2 questions  
Why didn't staff feel able to inform senior staff of problems in a system?  
Why do Chief Executives sign contracts that they have not checked with relevant staff?  
Paul Martin MSP pointed out that the overspend would have paid for 1900 nurses.

Following the Audit Scotland investigation into overspends and delays with IT at the Crown Office, Disclosure Scotland and Register of Scotland in 2012 the Scottish Government said that lessons had been learned but we see little evidence of this.

The effort to bring the police IT systems together after merger has experienced a range of delays and seen costs rise to over £60m. Again and again we see sales pitches from IT companies treated as impartial advice and the knowledge and skills of in-house IT staff ignored.

Cornwall has now terminated its contract with BT Cornwall (BTC) after BTC attempts to get a high court injunction failed. ICT and other so-called backroom services have now formally transferred back to the council. Negotiations continue over the level of damages the council hopes to get following the failures which led to the termination of the contract. The council believes that they are owed millions of pounds in damages.

Publictechnology.Net is reporting that the UK cabinet office is launching yet another review of government IT contracts with the understatement that "a series of contracts have not stood the test of time". It is believed that the option of bringing IT expertise back in house is seriously under consideration. Not before time.

UNISON's recent survey of members working in ICT is available [here](#).

## Grappling With Cuts

The Chartered Institute of Management Accountants has been looking at how local government in England has responded to the swinging cuts in their budgets. While the [report](#) is very much in management speak "financial resilience" and "developing anticipatory capacity" it is still a useful overview of tactics used in 4 English councils in the face of swinging cuts to their budgets.



The report states that while managers in local authorities had dealt with "financial shocks" before, these cuts are of an entirely different level. The four councils the team looked at were: Wigan Council, Manchester City Council, Derbyshire County Council and Warrington Council.

In the past "financial resilience" (responding to crises, budget cuts or increased demand) focused on continuous monitoring and localised shifting of funds between departments, incremental across the board savings (what we tend to call salami slicing) and the use of reserves.

This report shows that new approaches are needed for such substantial cuts. Responses involved developing better cohesion, prioritisation and better linking of financial and non-financial performance data. Councils have tried to decrease their dependency on central funds through increased and more widespread use of charges and (unlike Scottish councils, who are rate capped) raising council tax.

Those who took part were very pessimistic about the impact of the next range of cuts



# Care Costs

**S**ocial care is delivered by people not robots. This means improving the quality of care in Scotland has to seriously address workforce issues: it accounts for approximately 7% of Scottish employment. The biggest employer is the private sector with 41% of the workforce. The public sector makes up 31% and the voluntary sector the rest. All sectors report increasing difficulties with the recruitment and retention of staff.

The biggest problem is pay. The vast majority of workers are employed in entry level care worker positions which typically pay the National Minimum Wage (NMW) (£6.70 over 21) or just above. There have been efforts to establish an industry floor of £7 an hour in Scotland, this been overtaken by events with the introduction of the new UK National 'Living' Wage set at £7.20 for workers age 25 and over from April 2016.

The Resolution Foundation has highlighted the impact of the new NMW provisions in their report 'Care to Pay': increased annual household incomes of more than £800, so increasing payroll costs £23 billion by 2020, on top of £17 billion of costs from the increase in the National Minimum Wage (NMW). There are also additional training, pension and sleepover payments that are not being fully funded, including for those funded through Self Directed Support

Finally, care workers have strong views about the quality of care. A UNISON survey of Scottish homecare workers exposed the shocking reality of the country's care services. The majority of workers polled in the survey - [Scotland: It's Time to Care](#) - said that the service is not sufficient to meet the needs of the people they care for, both from the time they can spend and the quality of care they can provide.

If we want a social care system that can meet the needs of our ageing population and treat recipients in a dignified way, then we need to invest in the workforce that provides it.



## ANTI-POVERTY CHILDCARE

**W**e are a long way from Scottish and UK governments being able to actually deliver on their promises of a 30 hour childcare service free at the point of use so it's great to see **Joseph Rowntree Foundation** publishing [a plan](#) to enable actual delivery.

### move to "supply side" funding.

The cost of childcare is a substantial barrier to work for many parents and the lack of availability and complexity of both finding childcare and funding support make it even more difficult.

The new report calls for a simplified childcare system which focuses on tackling poverty. Currently childcare subsidies are extremely complex: supply side via "free hours" alongside the childcare element of tax credits, employer supported childcare vouchers and the tax free childcare scheme. Finding and accessing care is equally complex. There is no one place to go to even find out what's available far less to apply for a place. Many parents struggle to access the current "free hours" entitlement never mind childcare that matches their working hours.

The Rowntree report calls for a move to "supply side" funding. Evidence suggests that this is the most effective way to fund a childcare service and means we can ensure

quality, affordability and flexibility for all children regardless of their parents' ability to pay. If childcare is to be effective in reducing poverty and the impact of poverty on children then the focus has to be about more than reducing just the cost. The evidence is clear: childcare delivered by qualified staff working in a degree led setting is the most effective way to improve children's outcomes.

Quality childcare requires:

- well qualified and experienced staff able to identify and respond to children's needs
- An active approach to home learning
- A good social mix of children
- Strong links with local family and child support services (which again need to be well funded and high quality)

**High quality childcare cannot be delivered without tackling low pay in the sector.**

Some key recommendations from the report.

- Moving to a qualified, graduate-led workforce and equalising wages across all sectors
- Setting up a properly funded entitlement to full day childcare from age one to pre-school 48 weeks a year.
- Removing the parental contribution to childcare fees altogether for families with an income below the relative poverty threshold.

This report is a very useful contribution to our campaign for a universal publically delivered childcare service. Our Childcare Charter is available [here](#).

# NEWSLETTER

**UNISON**  
Scotland

## Procurement and Tax Dodgers

**W**e can use our exiting powers to do a lot more about tax abuse in Scotland, starting by ensuring that companies who want to bid for taxpayer funded contracts should pay all their taxes.

The recent focus has been on Google, following a deal with HMRC to pay £130m in back taxes and bear a greater tax burden in future. This constitutes a 3% tax rate, something small and medium size business across Scotland can only dream of.

Even hardened cynics have been shocked by the levels and methods used by multinationals to minimise their tax liabilities in Europe. We have had the Luxleaks revelations, media exposure of how hundreds of global companies including Pepsi, Ikea and FedEx had secured secret sweetheart tax deals with Luxembourg, allowing them to save billions of Euros in taxes. This abuse also has an impact on global poverty. Poor countries are losing at least \$170 billion a year to tax havens – money that is desperately needed for vital services like healthcare and education.

We don't tend to think of Scotland when tax havens are discussed. However, as the Sunday Herald recently reported, Scotland is being advertised as a tax haven across Eastern Europe. The number of limited partnerships in Scotland has more than doubled from just over 6,000 to nearly 15,000 since 2009. We now have more of these firms

than England and Wales put together.

The public sector spends some £11bn each year in the private sector and this should be used as part of stronger efforts to tackle tax dodging and tax avoidance. It is entirely wrong that companies seeking to avoid paying their fair share of tax should be awarded public contracts.

The Public Contracts (Scotland) Regulations 2015 were considered by the Infrastructure and Capital Investment Committee recently. UNISON's [briefing to MSPs](#) questioned why the Scottish Government is not using powers that it has for mandatory, rather than discretionary, exclusion of companies that have not met their tax obligations and /or breached environmental, social and labour laws, and to exclude companies involved in aggressive tax avoidance? The solution is to require companies to sign up to the Fair Tax Mark. A Scottish firm, SSE was the first company to do so.

Given the Scottish Government's rhetoric on tax dodging and the practical steps in the Revenue Scotland and Tax Powers Act it is a surprise that they are not taking action on procurement. Local and regional authorities across Europe are taking a stronger line than Scotland.

The bottom line should be – Companies who take the taxpayers pound, should pay their taxes in full.

## Love Your School Library

**S**chool Libraries are under serious threat. Argyll and Bute are planning to remove all school librarian posts. Other authorities are cutting posts and reducing opening hours. The Chartered Institute for Library and Information Professionals keeps a useful list of cuts [here](#). It is clear that within the education budget the ring-fencing of teachers' posts means that the jobs of other staff working in schools are disproportionately at risk. Not only does cutting posts like librarians, educational psychologists and classroom assistant deny pupils specialist help it also loads more work on to teachers preventing them from doing the job they do best.

Librarians have professional skills that support a range of learning. This is not just about an interest in literature-it's about research skills and understanding and organising information. Expecting teachers to run school libraries demonstrates a complete misunderstanding of the role of librarian. Their role in promoting literacy is important but the role is much wider and increasingly so because of

the internet. Search engines like Google mean that most school pupils have no shortage of sources of information. The internet is also a source of propaganda, half truths, lies, disinformation and genuine mistakes. Supporting young people to understand and undertake information gathering and research is vital.

Research shows that that young people are not "internet savvy". They are unable to find the information they start to search for, they often trust the first thing they find. They are not fact checking or looking for alternative sources. They struggle to recognise bias or propaganda. At its most dangerous this type of behaviour makes young people vulnerable to extremists and predators. It impacts on their general understanding of the world, their education and ability to achieve. It is vital that we invest more not less in this service. If school libraries have limited opening hours and do not have qualified staff then young people will have less access to information. UNISON's submission on the value of school libraries is available [here](#)

If you would like more information on any of the articles in this newsletter or have information you would like to share in the next issue please contact: [Kay Sillars](#) in the Bargaining and Campaigns team on 0141 342 2819 [k.sillars@unison.co.uk](mailto:k.sillars@unison.co.uk)



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