



Introduction

UNISON is Scotland's largest trade union with more than 150,000 members across the public, private and voluntary sectors. More than three quarters of our membership are women. Members are also service users and tax payers and because of this unique position are well placed to inform the policy making process. Using UNISON's democratic structures, we are able to collate and analyse members' experiences to provide evidence to inform the policy making process. We therefore welcome the opportunity to give evidence to the Health, Social Care and Sport Committee regarding its pre-budget scrutiny. We appreciate this response covers a great deal of ground – but given the funding and staffing crises besetting public services, together with the expressed determination of the Scottish Government to cut jobs and demand year on year cuts from public bodies, we feel the need to give both committees as comprehensive a picture as possible.

Background

The Health, Social Care and Sport Committee pointed out that the Scottish Government's Resource Spending Review "identifies planned increases of 0.6% in real terms for health and social care over the next four years". The call for views asked a number of questions, including on how respondents would see "these planned budget increases" meeting the various challenges facing health and social care, including: recovering from Covid-19 and addressing the treatment backlog; the planned creation of a National Care Service; cost and demand pressures in areas such as NHS pay, drug costs and demographic pressures; and health and social care sustainability. The Committee also asked about achieving net zero, preventative spend and budget priorities. Our response focuses on these in the areas we highlight in the next section. First, we make some overall comments on the context of the Resource Spending Review in what is daily becoming an ever more hostile economic landscape for those with least, including low paid health and social care workers.

Scottish Secretary Tracey Dalling warned in her initial response to the spending review that the proposals, including a threat to 30,000 jobs, will have "catastrophic consequences for Scotland's communities."¹ The financial stringencies until 2026-7 come on top of years of public services being cut to the bone, particularly in local government and in the NHS, with the pressures on services and staff clearly apparent before the COVID 19 pandemic. The NCS is a response to a crisis in social care.

Since Finance Secretary Kate Forbes announced the Scottish Government spending plans and priorities in May, The financial pressures on ordinary workers and on public services have escalated further even than recent predictions, with soaring fuel and energy price costs and inflation at a 40 year high all making it incredibly hard for the most vulnerable to feed themselves, let alone hope to stay warm this winter.

¹ <https://unison-scotland.org/this-is-a-desperate-day-for-public-services-that-will-have-catastrophic-consequences-for-scotlands-communities-says-unison/>

Meanwhile hard pressed workers across Scotland and the UK are having to take strike action over scandalously low pay offers in the public sector and more widely². Just in the week we submit this response, there have been forecasts of 18% CPI inflation in January, alongside news that average pay for the FTSE 100 chief executives went up by 39% to £3.4m last year.³

UNISON has worked with other unions, UK wide through the TUC and here with the STUC, on cost of living campaigns calling for more help, especially for the most vulnerable, through this rapidly escalating crisis, widely and rightly described as on the scale of the pandemic. We face a convergence of crises as we seek to emerge from the impact of COVID and as the urgency of the climate emergency increases, with major improvements needed on the COP26 Glasgow Pact if we are to limit global temperature rise to 1.5C, in ways that deliver a just transition. Inequalities are at the heart of these crises and fair work is an essential part of the solutions.

Our members including in health and social care and in local government, in higher and further education and the community and voluntary sector and beyond, deserve quality pay rises that take account of inflation and the cost of living crisis. They and other key workers kept vital services going through the pandemic. But the doorstep claps have turned to cold shoulders and pay cuts, while there is no shortage of money for city workers⁴ or for chief executives, including energy bosses⁵ and the energy companies rake in billions in profits.⁶ It should surprise no one that UNISON members in the NHS are balloting for strike action for the first time since devolution, while in local government we have some strike dates already announced, with more to come. And in four universities, our members who are professional services staff have voted for industrial action.⁷

Our focus

UNISON's priority areas of focus in this response are:

- the cost of living crisis – in particular with regard to public service pay and political choices now to protect and improve public services
- the National Care Service (Scotland) Bill - we will make some key points here, in particular how the plan to take out up to 75,000 jobs from local government adds to the aforementioned threat to jobs and has a massive impact on the very future of local government – an existential threat, with attendant local democratic accountability implications; we also highlight the urgent need to set up sectoral collective bargaining for social care
- cost pressures on health and social care

² <https://leftfootforward.org/2022/08/full-list-of-all-the-upcoming-strike-dates/>

³ <https://www.theguardian.com/business/2022/aug/22/average-pay-ftse-100-chiefs-jumps>

⁴ <https://www.theguardian.com/business/2022/aug/08/city-workers-get-double-digit-wage-rises-while-lowest-paid-see-1-increase>

⁵ <https://www.theguardian.com/business/2022/may/11/ten-biggest-north-sea-oil-and-gas-bosses-pay-rises-to-54m>

⁶ <https://www.theguardian.com/business/2022/aug/02/big-oil-profits-energy-bills-windfall-tax>

⁷ <https://unison-scotland.org/scottish-university-workers-vote-to-join-cost-of-living-strike-wave/>

- Spending priorities and political choices – including preventative spending - and some ideas for doing things differently

(Please also see our other responses, including our forthcoming responses to consultations specific to the NCS.)

Ms Forbes said in her Resource Spending Review introduction⁸ that “the outcome should be lower levels of child poverty, a faster growing economy, continued progress on our journey to net zero, stronger public services and crucial support for households and businesses during a time of extraordinary economic pressure.” We warn here that to achieve those aims, urgent emergency measures are needed on the cost of living and public services must not be expected to make further cuts, especially when demands are increasing. A top priority in the current crisis must be that public service workers receive decent pay rises, not the well below inflation offers made so far, that are effectively significant pay cuts. This would benefit low paid workers and would help in recruitment and retention and service provision in health and social care in particular. It would also show respect for the vital work these committed employees do; work that all of society relies on and benefits from - work by staff who are central to delivering the key outcomes in these services, including in plans for recovering from Covid, tackling the treatment backlog, and in health and social care sustainability and in climate action.

Cost of living crisis – overview

Committee members will be well aware of the shocking energy price rises, forecast to put the average annual bill potentially above £5,000 from January.⁹ This is combined with a record pay slump, the highest inflation in 40 years and the tragically high need for foodbanks already, before energy bill forecasts went through the roof. The fact that councils and churches and other organisations are considering providing ‘warm banks’¹⁰ this winter is a dreadful sign of what may be to come, yet we live in one of the richest countries in the world. First Minister Nicola Sturgeon is right to pressure the UK government for action on the crisis. However, Ms Sturgeon’s yet to be decided emergency budget review measures¹¹ must seek to make an impact by ensuring that the Scottish Government is doing all that they can do. We make some suggestions on cost of living and other key areas in this response. UNISON has also joined with others on calling for the Scottish and UK governments to act, including the call to the First Minister on 15 August to double the Scottish Child Payment bridging payments to struggling families¹². The Joseph Rowntree Foundation, TUC & 70 charities & community organisations also called energy price rises a “national emergency” and urged Liz Truss and Rishi Sunak to give more support in tackling the “gravest issue” the UK faces. We will be at the march and rally outside the Scottish Parliament on 8 September with STUC sister unions saying that ‘Scotland demands a pay rise’. We hope that Committee members will take this opportunity to come and hear the concerns of the workers who will be outside the Scottish Parliament. UNISON will also be lobbying with the TUC at Westminster in October. Trade unions will stand up for workers throughout this crisis and we

⁸ <https://www.gov.scot/publications/investing-scotlands-future-resource-spending-review/pages/1/>

⁹ <https://www.ft.com/content/048c0271-75d3-4d4e-9a00-e8fd0bf62691>

¹⁰ <https://www.dailyrecord.co.uk/news/scottish-news/thousands-scots-face-being-left-27619755>

¹¹ <https://www.gov.scot/news/taking-action-on-cost-emergency/>

¹² <https://www.dailyrecord.co.uk/news/politics/nicola-sturgeon-urged-do-right-27737477>

welcome support from those politicians who will stand with us to prioritise key anti-poverty measures.

As Roz Foyer, STUC General Secretary, said at the STUC/Poverty Alliance cost of living summit in June: "Poverty is a political choice.... This summit, the largest seen in Scotland on this crisis, calls for the Scottish Government to go further, using the powers of the parliament to mitigate this emergency. Their recent spending review plans to foist harmful cuts on our public services is utterly incompatible with the response needed to help those impacted by this crisis. Whilst the UK Government are still firmly within our sights...we will be unrelenting and unapologetic in our resistance to this crisis until further action is taken."¹³

Cost of living crisis - pay

Putting more money in people's pockets has to be an immediate focus - as well as whatever is done to freeze or cut/mitigate the coming energy and other price rises. The Office for National Statistics said on 16 August that average real-term pay, excluding bonuses, fell by 4.1% (on CPI figures) in the year to the quarter April-June.^{14 15} This is the highest fall since 2001, when such comparable records began, and the ninth consecutive month on month fall - while CPI inflation reached a 40 year record in July of 10.1%, confirming predictions it will hit 11% before long. Indeed, on 22 August, investment bank Citi forecast CPI inflation will reach 18.6% in January.^{16 17} Huge inequalities persist. A study earlier in August found the top earners, such as city workers, had pay rises of 10%, with the lowest paid at 1%.¹⁸ Meanwhile, the richest get richer again, with company bosses, who often expect workers to accept peanuts, taking massive pay rises themselves. It is morally wrong to have energy company bosses on multimillion pound pay, with their firms profiteering massively during a crisis that sees ordinary people yet again expected to shut up and pay up a huge proportion of their income for power and heating. The Institute for Fiscal Studies showed in August that the poorest fifth of households face eye watering inflation rates of almost 18% in October.¹⁹ What will it be like for them during next year? As our briefing on inflation and inequality noted in June, those with least pay a much higher proportion of their incomes on energy and food.²⁰

Our NHS pay claim, with other health unions, asked for an above inflation pay award. We also sought to look at other aspects of working in the NHS which have an impact on take home pay such as: ensuring banding outcomes reflect job content; rewarding additional hours fairly; preventing burnout by limiting excess hours; supporting progression and career development and encouraging NHS Scotland employers to use recruitment & retention premia (RRP) to recruit and retain staff where shortages are a risk to staff wellbeing and quality of care. In local government, the pay claim,

¹³ <https://stuc.org.uk/media-centre/news/1658/stuc-and-poverty-alliance-national-summit-on-cost-of-living-crisis>

¹⁴ <https://www.bbc.co.uk/news/business-62550069>

¹⁵ <https://www.tuc.org.uk/news/tuc-calls-ministers-get-pay-rising-real-wages-fall-again>

¹⁶ <https://www.theguardian.com/business/live/2022/aug/22/cineworld-us-bankruptcy-felixstowe-strike-gas-prices-recession-stock-markets-business-live>

¹⁷ <https://www.reuters.com/world/uk/uk-inflation-hit-18-early-2023-citi-forecasts-2022-08-22/>

¹⁸ <https://www.theguardian.com/business/2022/aug/08/city-workers-get-double-digit-wage-rises-while-lowest-paid-see-1-increase>

¹⁹ <https://ifs.org.uk/publications/16150>

²⁰ <https://unison-scotland.org/wp-content/uploads/Inflation-inequality-Briefing-119-June-22.pdf>

also with other unions, included calling for a £3,000 flat rate increase, a minimum rate of pay of £12 per hour, payment of SSSC and all other professional fees, agreement that all allowances in future are automatically uprated in line with October inflation rates and agreement of home/hybrid working guidance that provides appropriate recompense for expenses incurred, and completion of an agreed review on how we achieve a no detriment reduction in the working week.

Our members do not want to have to go on strike but refuse to be treated so appallingly. More than half of council workers earn less than £25,000 annually. Bizarrely both the Scottish Government and COSLA accept the August pay offer, up from just 2%, is not good enough but they have failed to work together to improve it sufficiently. UNISON Scotland head of local government Johanna Baxter said in rejecting the “derisory” 3.5% offer – less than offered to local government workers in England and Wales and Northern Ireland - that members are fed up at being used as a political football between the two. All these hard working staff want is to be rewarded properly for the ‘above and beyond’ work they do. No-one wants the widespread disruption strike action will cause. The Scottish Government and COSLA are failing not just the workers, but the wider communities. The Scottish Government must provide more funding to councils overall, as well as for pay.

In health, as the Committee will know, our members have also been driven to ballot for strike action. The initial consultative ballot saw 83% rejecting the current 5% pay offer and backing industrial action. NHS workers see the hypocrisy of praise for their commitment, particularly risking lives during the pandemic, as if in a front line on a war for many, yet still no proper reward and appreciation of that. Fine words mean little when staff are expected to take pay cuts on the chin in a major financial crisis. They are not having it. We ask the Committee to urge the Scottish Government to significantly increase its offer to avoid strikes taking place as the annual winter pressures hit the NHS, likely to be alongside a further wave of COVID 19. The staff who would be expected to deal with another COVID crisis this winter, on top of heavy workloads and staff shortages and immense resource and waiting list pressures, including for addressing the treatment backlog, deserve higher pay now.

Matt McLaughlin, Head of Health for UNISON Scotland, and Wilma Brown, Chair of our Health Committee, have urged the First Minister to intervene. In a joint letter to Nicola Sturgeon, they pointed out that members have stepped up in a crisis time and time again, but have to continually work against a backdrop of ongoing staffing shortages and below inflation pay awards. They said: “The current cost of living crisis and Government’s failure to react positively to increased costs is the final straw.”

It is important when looking at pay, that the other impacts on staff wellbeing and financial circumstances are taken into account too, with support where required. Staff across public services who receive mileage payments clearly should be helped with such high fuel prices. Social care staff have reported specific pressures on this, when they are already some of the lowest paid public service workers. It is not right and Ms Sturgeon’s emergency budget review must look at this urgently, along with a full range of issues and potential support. One thing that must happen is a further extension of the Social Care Staff Support Fund. It would be entirely wrong to close this down just as we expect a further rise in COVID cases this winter, when short staffing in health and social care could be even worse without staff having access to proper sickness support. Public contracts ought to specify this as part of conditions for contracts. In the meantime, this fund must be continued at a time of ongoing crisis.

Similarly, Long COVID support must be in place for workers.^{21 22} We urge employers to sign up for the COVID Safety Pledge, promoted by, among others, the STUC and Independent Sage.²³

Cost of living crisis – energy

UNISON has welcomed UK Labour proposals to freeze energy prices, with a further windfall tax on energy companies. General Secretary Christina McAnea said the plans were “a positive start”²⁴ and that without emergency action families and households, particularly those on low wages, might never recover from the coming “disastrous” energy price hikes.

UNISON has long called for the retail arms of the big six energy companies to be nationalised.²⁵ The TUC launched a report in July: A Fairer Energy System for Families and the Climate.^{26 27} It argued that public ownership of the energy retail companies would reduce bills, speed up energy efficiency improvements to UK homes and cut carbon emissions faster. UNISON Scotland has campaigned over many years with a range of groups including the STUC, the Existing Homes Alliance, Stop Climate Chaos Scotland and other groups calling for major energy efficiency programmes in housing. The STUC’s Our Climate Our Homes campaign²⁸ calls for councils to set up municipal energy companies to upgrade homes. Action by the Scottish Government earlier on this and on the shamefully now abandoned plans for a Scottish publicly owned energy company could have helped in the current crisis.

In July the STUC and Just Transition Partnership welcomed the first report of the second Just Transition Commission, which lays out various measures for tackling climate change and helping the cost of living crisis, including ones that would urgently tackle fuel poverty and make renewal energy more affordable, including addressing price barriers for renewable sources.²⁹

Polling carried out for the campaign We Own It shows huge support for nationalisation.³⁰ The charity said that more than three out of five members of the public, and a similar number of Conservatives, support public ownership of utilities.³¹ We Own It said that a majority of people want energy, rail, buses, Royal Mail and the NHS to be run in the public sector, as well as water south of the border. Scottish Water of course is publicly owned. (Though this has had to be fought for and defended and there are still issues of concern.)

²¹ <https://www.unison.org.uk/news/article/2022/07/employment-tribunal-classes-long-COVID-as-a-disability/>
<https://www.unison.org.uk/content/uploads/2022/05/Bargaining-to-support-those-who-have-long-COVID-v4.pdf>

²² <https://www.tuc.org.uk/research-analysis/reports/COVID-19-occupational-disease>

²³ <https://stuc.org.uk/media-centre/news/1655/safety-pledge-for-COVID-safe-workplaces>

²⁴ <https://www.unison.org.uk/news/2022/08/energy-price-freeze-is-right-move-for-cost-of-living-pressure/>

²⁵ <https://www.unison.org.uk/news/2019/06/nationalise-big-six-create-green-army-help-uk-hit-net-zero-says-unison/>

²⁶ <https://www.tuc.org.uk/news/tuc-publishes-plan-cut-bills-through-public-ownership-energy-retail>

²⁷ <https://www.tuc.org.uk/sites/default/files/2022-07/Public%20energy%20public%20paper%20-%20web.pdf>

²⁸ <https://stuc.org.uk/media-centre/news/1622/stuc-launches-campaign-to-upgrade-scotland-s-homes>

²⁹ <https://stuc.org.uk/media-centre/news/1660/just-transition-government-must-act-on-decarbonisation-recommendations>

³⁰ <https://weownit.org.uk/blog/biggest-ever-poll-shows-huge-support-nationalisation>

³¹ <https://morningstaronline.co.uk/article/b/most-people-support-public-ownership-of-utilities-even-tory-voters-poll-finds>

It is important to stress that the intertwined crises of cost of living and climate mean that some decisions which might make short term apparent sense to some people, should be re-assessed with the climate emergency in mind. This certainly applies to funding being 'given' to energy companies, when instead they could be nationalised securing an asset for the future for people, not profit, helping to deliver the pathway to net zero. (Meanwhile, UNISON's research published at COP26 called for a UK government commitment to massively step up investment as capital funding of £140 billion is needed for the public sector to meet vital decarbonisation targets.^{32 33})

At the time of writing this response, the First Minister was planning a summit with energy companies and consumer groups. By the time the Committee takes evidence, the pace of developments will have quickened, with some actions promised or taken. We hope members will look at the overall picture and argue for all the kinds of support we and other trade unions are flagging up and calling for, including with the Poverty Alliance and other charities, as highlighted above. Importantly, we would want all action to seek to reduce inequalities and ensure support for any groups who face particular impacts, for example disabled people with higher costs of living, those in rural communities who face higher fuel and energy and other costs, women on maternity leave fearful they cannot afford to take the leave they believe they and their babies need, support for refugees³⁴, etc.

Energy Action Scotland has warned lives are at definite risk³⁵, something the First Minister highlighted. Clearly action is needed to tackle specifics such as the higher rates paid by those on pre-payment meters and that bills should charge more the more energy you use after a basic rate for everyone. This would support those who use least or who work to improve their energy efficiency. (With suitable safeguards for, e.g., those with health and disability needs for higher heating/energy use.³⁶)

Cost of living crisis – free school meals

The Scottish Government has delayed extending free school meals to primaries 6 and 7 from August 2022.³⁷ This decision must be reversed and UNISON calls on ministers in the emergency budget review to extend free school meals to all school pupils as soon as this can be done, to help with the cost of living crisis. We have long argued for universal free school meals, but even if Ministers say they will do it, or a step towards it as a temporary measure to start with, that would potentially be a huge help to many low income families, including in health and social care, alongside all the other benefits, including health and wellbeing and educational achievement, as highlighted recently by the STUC Women's Committee campaign.³⁸

National Care Service (Scotland) Bill – including threats to local government

The Committee wants to look at the impact of public service reform. We are particularly concerned about the scale of the impact of the proposals in the National

³² <https://unison-scotland.org/unison-report-getting-to-net-zero-in-uk-public-services/>

³³ <https://magazine.unison.org.uk/2021/11/08/unison-launches-its-blueprint-for-climate-friendly-public-services/>

³⁴ <https://www.scottishrefugeecouncil.org.uk/our-calls-for-increases-to-asylum-support/>

³⁵ https://twitter.com/EAS_Scotland/status/1559180625416003584?s=20&t=CDPJuQRhYBH72-yereFt6Q

³⁶ <https://www.bbc.co.uk/news/uk-scotland-tayside-central-62469853>

³⁷ <https://www.bbc.co.uk/news/uk-scotland-62484841>

³⁸ <https://www.heraldsotland.com/politics/20080503.school-meals-free-pupils-says-stuc/>
https://stuc.org.uk/files/FM_Free_School_Meals.pdf

Care Service Bill on local government, given the massive implications and impact on potentially moving up to 75,000 social work and social care staff out of local government. Indeed, we argue that this Bill effectively seals the fate of local authorities as a tier of government. It is the most outright and comprehensive assault on local government in a generation, the end of local democratic control of social services. There are other consultations ongoing on the Bill, but we believe it is important to highlight some of the key issues here as they have profound implications for the future delivery of social work services and for social work staff. The proposals have major financial implications, including on the jobs, pay and conditions of staff at the time of the massive cost of living crisis. Similarly, the discussions around sectoral collective bargaining in social care are directly relevant to that as we seek to improve the pay and terms and conditions of those staff. We argue the new collective bargaining 'machinery' should be set up urgently, especially given the recognition of the very serious scale of the likely impact of the cost of living crisis. Social care workers are amongst the lowest paid staff in Scotland and we urge the Committee to call on Ministers to instruct negotiators to come to the necessary agreements in joint negotiations with the trade unions so that implementation can start in the near future, well before the establishment of the NCS.

On the substantive Bill, firstly we wish to stress that the First Minister's claim that the establishment of the National Care Service is on a par with the establishment of the NHS is a sham. UNISON has three recent briefings: on the Bill itself, on social work implications and on local government implications, which together spell out clearly why this is in no way a valid comparison with the current plans for the NCS.³⁹ The Bill, published on 21 June, confirms that what the Scottish Government calls a 'National Care Service' is the current system with added ministerial oversight and some national standard setting. We are deeply opposed to it locking in social care as a commodity in a market rather than a public service for citizens. See also the STUC report 'Profiting from Care'.⁴⁰

We referred to up to 75,000 jobs potentially moving out of local government. Essentially, the proposals involve two options. One transfers their employment to the National Care Service, where new Care Boards may take over direct delivery of social work services, with staff transferred under TUPE. Social workers would continue providing social work services, but under the direction of, and accountable to, Scottish Ministers rather than the local authority/Health and Social Care Partnership. Option 2 would see them remain a local authority employee, but where social work services are "currently provided in-house by local authorities, that may continue under a procurement arrangement with the care board." This implies that councils will compete for contracts to deliver social work services.

The Bill will transfer statutory duties for social work from local authorities to Scottish Ministers, but these will sit with the local care boards who will also hold the funding. A National Social Work Agency will be created within government as a unit within the NCS. The Agency will be responsible for workforce planning, training & development and for social workers' pay, terms and conditions. Social workers will therefore be removed from local government pay bargaining arrangements. The Bill also provides for the transfer, along with staff, of the property assets associated with social work and care from local authorities to Care Boards.

³⁹ <https://unison-scotland.org/national-care-service-bill/> <https://unison-scotland.org/wp-content/uploads/NCS-Bill-Social-Work-e-briefing.pdf> <https://unison-scotland.org/local-government-and-the-national-care-service/>

⁴⁰ <https://stuc.org.uk/files/Reports/Profiting-from-Care-Report.pdf>

These proposals have huge implications for decision making and accountability at local level, with the potential loss of local priorities for provision of vital services best suited to be decided upon within the community, with joined up connections with other council services etc. And they have huge implications for social work and social care staff pay and terms and conditions, including potentially pensions. The details are in our briefings. This is a massive change and was not part of the original proposals.

We do not believe these impacts are widely known or understood. They are certainly potentially hugely detrimental to the social work staff we represent in councils and in the voluntary sector. They will, in our view, be detrimental to services in many key ways. We are currently consulting with our members, alerting them to the proposals and seeking their feedback. We ask the Committee to consider and question Ministers about the costs and disruption and risks involved, the impact on services and staff, and indeed whether this should be a priority at this time. Amid a social care and social work crisis very significant sums of public money and resources are being diverted into bureaucratic restructuring rather than meeting people's needs. We profoundly disagree with the premise in the Bill that who provides social work and social care services makes no difference in terms of the quality of services provided to citizens and therefore no difference whether services are provided by councils, the private or the voluntary sector. The changes are intended to be in place by 2025/26. We are opposed to profit being part of care and believe most people agree. We urge the Committee to support publicly run and delivered social services and argue against this major attack on local democracy. Members should also note that there are already serious cost concerns about the additional £840m for social care announced in the spending review and intended to deliver the 25% uplift over the lifetime of this parliament tied to the cost of establishing the NCS. This is already regarded as underestimating the costs of delivering the Feeley Review recommendations, without even considering the needs within social work – a service which is also in crisis, underfunded, understaffed and undervalued.⁴¹

On social care bargaining, we request an urgent firmer public commitment to sectoral collective bargaining and to establishing the mechanisms as soon as possible in the coming months.

Cost pressures on health and social care

The Scottish Government says in the spending review that health and social care will have a real terms 0.6% annual increase over the coming four years. However, NHS Scotland's Chief Executive Caroline Lamb recently reported they have been told to make an extra £770m in savings for this financial year. We do not believe NHS funding is being protected. Indeed, there is still a massive and ongoing impact from COVID on top of other pressures on beds, with a number of health boards, including the biggest, NHS Greater Glasgow and Clyde, recently again issuing warnings such as that people should not attend accident and emergency unless for very urgent or life threatening conditions.⁴² NHS Lanarkshire said at the end of July it was operating at "beyond critical occupancy levels" across its three acute hospitals.⁴³ NHS Lothian on 17 August issued a similar critical warning for A&E.⁴⁴

⁴¹ <https://socialworkscotland.org/reports/settingthebar/>

⁴² <https://www.dailyrecord.co.uk/news/scottish-news/scotlands-largest-health-board-tells-27411323>

⁴³ <https://www.nhs.uk/lanarkshire/risk-level/>

⁴⁴ https://twitter.com/NHS_Lothian/status/1559948269882589185?s=20&t=bOsSugR4wEenrain6Xfilg

As well as the drastic pressures on staff in such conditions, many of whom have worked under intensive stresses since at least the start of the pandemic, the risk to patient welfare is considerable, with lengthy A&E waiting times and ambulance delays⁴⁵ undoubtedly impacting on health outcomes.⁴⁶

Matt McLaughlin, UNISON Head of Health, says that with massive short staffing across all disciplines, predating COVID, “plans to reduce the treatment backlog are at serious risk of failure unless significant additional funding is found to increase estate (beds/theatres) and staff capacity.” In May, UNISON warned of dangerous staffing levels in Borders Hospitals.⁴⁷ Indeed, our members and NHS Boards across Scotland are reporting dangerous low staffing levels in all areas. This is not COVID. Outwith the peak, COVID rates amongst NHS workers have been relatively small (typically around 0.5-1%) or at worst consistent with community infection rates. It is scandalous that when NHS Boards cannot recruit and retain staff, they are forced to buy in services from nursing and other agencies – a self-made crisis with nurse agency spending at an all time high of £236m in 2021, on course for similar or higher in 2022. While there might be an argument in support of a limited use for private agencies and bank nursing to supplement staffing during periods of extremis, reliance on them is now the norm. (See point 11 on p14.) With some agencies paying up to £99 per hour⁴⁸ it is little wonder some nurses are considering leaving to work for agencies. The NHS recruitment and retention problems will not be helped without a significantly improved pay offer.

The current funding proposals will certainly not meet demand pressures in areas such as NHS pay, drug costs and demographic pressures. For NHS Greater Glasgow and Clyde, a 1% inflation increase equates to an extra £5m of costs. Increases to utility bills will be likely to have an even bigger impact. While the immediate fears of the 18% inflation warnings are for the impact on households, this is a crisis too for public services and the impact on them. That 0.6% ‘increase’ will in no way be sufficient for all the pressures in health and social care. The costs for setting up the NCS, plans which have so many faults as noted above, will add to the pressures and the estimated cost is not enough to start with.

Spending priorities and political choices – and preventative spending

Tackling the emergency cost of living needs is preventative spending in a crisis – lifesaving and essential - energy price freezes, rent freezes and free school meals, free period products and much more. Yet it should not take crisis to support these measures. Likewise on pay, we should not have to make pay demands that are part of a crisis. People deserve decent pay and fair work at all times. It is disgraceful that pay levels have fallen behind so drastically – while those at the top urge restraint as their wealth mounts. Crisis, what crisis for them! It is entirely about political choices. We urge the Committee to support choices to put money in people’s pockets.

To often it is when services are not there that people realise the value – as everyone saw when they rightly applauded health, social care and other key workers, across so much of the public sector, during the pandemic. Strike action by our members will

⁴⁵ <https://www.dailyrecord.co.uk/news/scottish-news/scots-gran-broken-hip-stranded-27741660>

⁴⁶ <https://www.dailyrecord.co.uk/news/scottish-news/forth-valley-nhs-apologises-emergency-27584168>

⁴⁷ <https://unison-scotland.org/dangerous-staffing-levels-in-borders-hospitals-says-unison/>

⁴⁸ https://tnssng.fra1.digitaloceanspaces.com/sngltd/wp/wp-content/uploads/2021/12/SNG_Scotland_NI_Pay_Rates_from_Dec_2021.pdf

affect key services such as waste and recycling, schools, nurseries and early years centres. If the Committee values these services, support the choices to value local government staff. If the Committee values our NHS staff, who are set to ballot for industrial action, support the choices to give them a proper pay rise.

We talk about preventative spending on specific services such as tackling obesity or drug and alcohol addiction, to provide support and advice and services well before the problems worsen. So free healthy sustainable school meals are one part of tackling obesity and improved mental health children's services and support for families are part of helping reduce future drug deaths, as is quality nursery provision.

There is much talk of social prescribing – for gym membership, for - in a pilot scheme - help with energy costs, for support networks alongside reduced, where appropriate, prescription drugs etc. But in fact quality public services, properly funded, are part of a wellbeing strategy for the nation. We prescribe that!

We urge that proper assessments are made of minimum alcohol pricing and drug policies to assess both the impact on health and on demand for health services. It has to be recognised in budgeting that there may be years of an impact for the benefits to actually lead to reduced pressures on the NHS. Meanwhile, in some areas, 'false economies' – cutting spending in some areas due to pressures on budgets - potentially leads to far greater problems, whether in buildings maintenance, or cleaning of schools and hospitals – which should have been obvious – or loss of school playing fields. Reduced hours and facilities, whether swimming pools or libraries all have a community impact that is not measured but will affect health and wellbeing. The shameful cuts to drug and alcohol services have since been widely condemned as concerns grew about Scotland's drug deaths toll. Those making the cuts should have listened to those who warned them!

Spending on flood prevention is worthwhile, spending on climate adaptation is essential and will save money longer term. Climate spending is far less done now, sooner, than delaying with all the risks that involves, with higher costs further down the line, than doing the same things now. And it is the most vulnerable who pay the highest price. We saw during the pandemic that the proper planning and stock holding for PPE was not done and this failed our health and social care staff and undoubtedly cost lives, with particular groups such as black and ethnic minority workers paying an even higher price. Health and safety measures must not be compromised like that again.

We highlight three examples of choices: A good news example of a long overdue choice made by a health board, and the wide impact of lack of beds and facilities in the hospital estate. (NB: the impact of PFI and other poor decisions on school kitchens is currently blamed for the delayed roll out of free school meals to P6 and P7).

In June, UNISON health workers in Lanarkshire celebrated a win in their 'PFI bleeds the NHS dry' campaign to end profit-motivated private contracts providing public services at NHS hospitals at public expense⁴⁹. NHS Lanarkshire is taking over the contract for cleaning, catering, portering and security services at Wishaw hospital from private contractor Serco. The campaign continues at Hairmyres hospital. UNISON Scotland Convener Lilian Macer highlighted the strength of the argument for

⁴⁹ <https://unison-scotland.org/unison-wins-insourcing-of-serco-staff-at-university-hospital-wishaw/>

promoting wellbeing, reducing health inequalities and ending the two-tier workforce, with a win win “for workers, their future pension, the community, the NHS and the local economy.” The correct political choice. The extent to which providing decent work with decent pay and conditions in public services IS preventative spend is often overlooked.

On issues with the NHS estate, UNISON highlighted at the STUC Congress this year issues around inadequate space in hospitals in a debate on a motion warning that therapy and rehabilitation spaces were being switched to other uses due to Covid, but impacting on patient recovery⁵⁰. UNISON gave another example, of a hospital intensive care unit with 44 beds, having just three showers and two “tiny” changing rooms for up to 66 staff on shift at a time, “a prime breeding ground for staff to staff spread of the virus.” Overcrowding on wards is common too. Yet the C-Difficile crisis at Vale of Leven showed how this can seriously compromise infection control.

UNISON Scottish Secretary Tracey Dalling and STUC General Secretary Roz Foyer said in responding to the spending review that the various drastic consequences we foresee in its plans are the result of deliberate political choices by the Scottish Government. We hope the Committee will urge Ministers to make much better choices, prioritising support for pay rises and real investment in public services – investment that can and must look to addressing the need for and financial case (as well as common sense case) for a range of preventative spending.

We would urge the Scottish Government to reconsider the strict spending cuts/‘efficiency savings’ being imposed in the coming period.. They will mean some essential services will not be provided.

Turning to rent as an area for better political choices and action, Ministers could act to bring in an emergency rent freeze as proposed by Mercedes Villalba MSP in June, supported by Labour, but inexplicably voted down by the SNP, Greens, Tories and Lib Dems.⁵¹ Her work with Living Rent on this was supported by among others the STUC and Govan Law Centre. The Scottish Government’s emergency budget review should implement this.

Climate action has to be a priority and is identified as such in the spending review. However, we want to see much more done on retrofitting homes to high EPC C standards, ideally through municipal energy companies⁵², as well as greater support for municipal bus companies. The current cost of living crisis also merits looking at options for free or reduced cost public transport schemes. We are members of the Just Transition Partnership, along with the STUC, environment organisations including Friends of the Earth Scotland and some other trade unions. As noted above on energy and cost of living, the STUC, with FoES in the JTP, recently commended the new Just Transition Commission’s first report, which proposes action in areas such as energy, transport and buildings, aiming to close the investment gap and deliver a better deal for workers, including tackling inequalities and working for a global just transition. We believe clearer political funding choices have to be made to enable this transition at speed. Health and social care, like all public services, have lots to

⁵⁰ <https://unison-scotland.org/unison-wins-insourcing-of-serco-staff-at-university-hospital-wishaw/>

⁵¹ <https://twitter.com/LabourMercedes/status/1541854226103549954?s=20&t=pIN0eW88AeKsvhzOaDvO5Q>

⁵² <https://stuc.org.uk/media-centre/news/1622/stuc-launches-campaign-to-upgrade-scotland-s-homes>
https://stuc.org.uk/files/campaigns/Homes/Our-Homes_briefing.pdf

do, and fast. We support the response to this Committee from Stop Climate Chaos Scotland⁵³ and urge Committee members to call for a simple, practical and effective move the Scottish Government could take that has small financial implications but we believe would deliver major benefits across all sectors: a strong recommendation to employers to grant facility time to workplace green reps, in the way that health and safety reps have statutory facility time. This would assist not just with green workplace action on emissions reduction, but also on crucial adaptation work, as identified in the new resources for trade unionists produced in a joint project with the STUC, Adaptation Scotland and UNISON.⁵⁴

Doing things differently

Finally, we are often asked in what ways Scottish Ministers could raise money, or switch spending priorities or make savings. This is a short, by no means comprehensive, series of suggestions of where and how the Scottish Government could find more money for public services and those who provide them. We offer them not to suggest they form a complete solution to spending issues – but as an indication of the kind of thinking that needs to be done to rescue public services from their current overlapping crises. It has to be said that neither creativity nor dynamism in respect of funding has been a feature of the Scottish Government’s work. The Scottish Government has, albeit within limits, considerable powers to raise funds and change funding mechanisms. Instead, it has been more typical of Ministers to boast of their decisions not to raise revenue. Regardless of whether or not this was ever a wise or effective course of action, it cannot be tolerated now as public services buckle under pressure. Boasts about low tax rates are attacks on public services and those who deliver them.

In no particular order, we would highlight the following:

- 1) ending or reducing the Scottish Government Small Business Bonus Scheme, which has cost well over £2bn in the 13 years it has been in place offering non-domestic rates relief to small businesses. A recent Fraser of Allander Institute investigation “could find no empirical evidence that identifies the SBBS as supporting enhanced business outcomes.”⁵⁵ However, the researchers were only working with limited information.
- 2) If the rates for Land and Business Transactions Tax were adjusted to increase revenue, even by as little as 10%, this would raise an extra £40m on top of current revenue of only £402m.⁵⁶ This is an absurdly small tax when the value of the residential sales market alone was £18.5 billion in 2020-21.⁵⁷
- 3) Increasing the Additional Dwelling Supplement – the LBBT charged on second or third or buy to let homes – by 2% to 6% would raise another £56m.
- 4) An IPPR Scotland report last year indicated that reducing the threshold for higher income tax to £40k (from the current £43k) would raise £690m. This was described

⁵³ <https://www.stopclimatechaos.scot/wp-content/uploads/2022/08/SCCS-submission-to-FPAC-pre-budget-scrutiny-FINAL.docx-1.pdf>

⁵⁴ <https://www.adaptationscotland.org.uk/how-adapt/tools-and-resources/climate-risks-workplace-protecting-workers-changing-climate>

⁵⁵ [https://fraserofallander.org/an-evaluation-of-the-small-business-bonus-scheme/#:~:text=The%20Small%20Business%20Bonus%20Scheme%20\(SBBS\)%20offers%20a%20non%2D,this%20relief%20for%20qualifying%20properties](https://fraserofallander.org/an-evaluation-of-the-small-business-bonus-scheme/#:~:text=The%20Small%20Business%20Bonus%20Scheme%20(SBBS)%20offers%20a%20non%2D,this%20relief%20for%20qualifying%20properties)

⁵⁶ <https://revenue.scot/sites/default/files/2021-12/Revenue%20Scotland%20Devolved%20Taxes%20Account%20Annual%20Report%202021.pdf>

⁵⁷ https://www.ros.gov.uk/_data/assets/pdf_file/0019/189001/Property-Market-Report-2020-21.pdf

as a 'social renewal supplement' on higher earners in Scotland.⁵⁸ NB: there are implications for the Scottish Government budget from the pledges by the Tory leadership/Prime Ministerial candidates to cut taxes, discussed in detail in this report from the Fraser of Allander Institute.⁵⁹ It points out that UK Government tax cuts could force the Scottish Government to choose between having lower income taxes for most in a supposedly fairer tax system than in the rest of the UK, or "emphasising the merits of a relatively higher tax burden for public services."

5) increasing the landfill tax from the current UK level.

6) Pursuing a solution with the UK Government to Scotland raising the Air Departure Tax above the UK equivalent Air Passenger Duty. (Scotland would only receive the increased amount, due to adjustments to the block grant for the rest.) Any action is seemingly being held up by trying to work out how to stop Highlands and Islands airports being impacted, even though their flights are a tiny proportion of flights from Scottish airports.

7) Of course, local authority funding, as mentioned above, is a longstanding issue as the Scottish Government kicked replacement of the council tax into the long grass and imposed a nine year council tax freeze. Since 2016 the Scottish parliament has had the ability to levy any tax it wants provided the money is used to fund local government. But there is no indication that, if they organise the promised Citizens Assembly to draw up proposals to replace the council tax, any legislation would come before the 2026 election. A new system is definitely needed as council tax is currently only about 13% of council funding. BUT it is entirely possible and do-able quickly, for the system to be made more progressive, with more bands and with bills increased for the most expensive properties. To give just one example – an increase of just £100 per property for the most valuable 25% of properties in Scotland (Bands FGH) would net £69m. More could be raised from the ~144,000 properties in Scotland with a median price of more than half a million pounds.⁶⁰

8) A local inheritance tax could be introduced using local tax powers in Scotland, provided the revenue went to local government. A local inheritance tax would be very progressive, given on most recent estimates, 20 per cent of adults in Scotland have zero or net-negative financial wealth, and 35 per cent of adults have zero or net negative property wealth.⁶¹ This could in effect lower the threshold in Scotland. "Based on the value of estates over the last five years, a flat local inheritance tax, set at a marginal tax rate of 10 per cent, paid above a threshold of £36,000, could raise around £200 million per year in Scotland (assuming no behavioural changes and assuming no local inheritance charge on transfers to spouses or civil partners as per existing UK inheritance tax)."⁶²

9) Tourism taxes are widely used throughout the world. A promise was made in the programme for Government 2019 to consult on and legislate to allow councils to levy tourist taxes was made – a consultation has taken place but nothing since

10) Land value uplift taxes could be introduced, bringing in a new system of land value capture so that a significant proportion of the uplift in land value from major public infrastructure works is made available to councils to invest in infrastructure

⁵⁸ <https://www.ippr.org/files/2021-03/btb-briefing-1-march-2021-final.pdf>

⁵⁹ <https://fraserofallander.org/income-tax-proposals-in-the-conservative-leadership-campaign-implications-for-the-scottish-budget/>

⁶⁰ Estimates derived from <https://www.ippr.org/files/2021-04/better-than-before-how-local-tax-reform-can-help-pay-for-recovery.pdf>

⁶¹ <https://www.resolutionfoundation.org/publications/taking-stock/>

⁶² https://www.ippr.org/files/2019-09/1568730565_local-tax-in-scotland-sept19.pdf p24

and public services⁶³. Legislation to allow councils to buy land for housing at its existing use value would make housebuilding budgets go significantly further.

11) In the NHS, improved workforce planning could save the money spent on the very high numbers of bank and agency nursing and midwifery staff. Prior to the pandemic the numbers had risen for ten years. In 2018/19 there was a 10.9% increase in the use of agency staff at a total cost of £26.2m. Overall numbers of these bank and agency staff combined that year equated to approximately 5,000 'average' WTE.⁶⁴

12) Five years ago UNISON Scotland made a very conservative estimate that action to refinance and review PFI/PPP/NPD contracts would save £250m over ten years - much of that work remains relevant, and much of that money could still be saved. Deals (and indeed other Council and Health Board borrowing) could be refinanced. Interest rates are still by historic standards very low⁶⁵.

Conclusion

There are many things that the Scottish Government can do to assist with the cost of living crisis, as well as putting pressure on the UK government to respond effectively and urgently. We believe that the Resource Spending Review plans and some of the proposals for the National Care Service put public services under considerable threat. We urge the Committee to recommend that Ministers act on all the issues we have raised, in particular on pay in health and social care, on collective bargaining for social care, on free school meals, and in further urgent practical financial support for the most vulnerable, wherever this can be done. UNISON, as part of and with the trade union movement, will be watching closely what politicians do and don't prioritise and will be campaigning for transformative action that will make a real difference to our members lives and that will indeed save lives and livelihoods. Health and social care services need investment and protection and a range of preventative spending priorities to help make them sustainable. They also, with all public services, need to take action to cut emissions and to adapt to the already baked in climate change causing severe weather impacts. We must tackle the immediate crisis and secure the funds for the just transition to save the planet from catastrophic runaway climate change.

UNISON Scotland, August 2022

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⁶³ https://www.landcommission.gov.scot/downloads/5dd6a24c0c1d6_Land-Focus-Land-Value-Capture-May-2018.pdf

⁶⁴ <https://www.isdscotland.org/Health-Topics/Workforce/Publications/2019-06-04/2019-06-04-Workforce-Report.pdf>

⁶⁵ https://unison-scotland.org/wp-content/uploads/03072017_Combating_Austerity_report_interactive.pdf