eBRIEF

Bargaining and Campaigns

UNISON Scotland

UK Autumn Statement 2015

November 2015

The UK Chancellor of the Exchequer has published his Autumn Statement today. This document sets out his view of the UK economy, and most importantly for UNISON members, his spending plans for the next four years.

The UK highlights include the abandonment of the savage Tax Credit cuts, following the government's defeat in the House of Lords. Higher tax receipts and lower borrowing costs helped meet this cost. However, from 2018 claimants will switch to the new Universal Credit and we will need to ensure this isn't used as a means of reinstating the Tax Credit cut.

UNISON led the way in the Tax Credit campaign with individual members telling their own stories being a powerful aspect of the campaign. UNISON General Secretary Dave Prentis said: *"Nearly three million working families countrywide have breathed a collective sigh of relief. Since the cuts were announced in the summer, parents have faced increasing anxiety over losing the tax credits they rely upon so heavily."*

With the exception of reserved spending such as social security, the spending plans do not directly include Scotland. The Chancellor sets out the budgets for English departments and Scotland gets a proportion of the increase or decrease in each department in accordance with the Barnett formula. This is how Scotland's block grant is calculated to which added income is raised from devolved taxes and charges. Next year this will include 10p of income tax in what is known as the Scottish Rate of Income Tax (SRIT). This is explained in some detail in this new Treasury document.

Devolved Administrations

Table 2.18: Devolved Administrations

	£ billion					
	Baseline	Plans				
	2015-16	2016-17[2]	2017-18	2018-19	2019-20	2020-21[2]
Scotland:						
Resource DEL[1]	25.9	26.1	26.3	26.3	26.5	*
Capital DEL	3.0	3.2	3.2	3.2	3.4	3.5
Total DEL	**28.8**	**29.3**	**29.5**	**29.6**	**29.8**	*

The impact of today's announcement on Scotland is an average real terms cut in the Scottish budget of 1.3% per year. A detail entirely missing from the Scotland Office press release! In addition, public bodies will have to find the cost of the increase in employers National Insurance contributions that the Chancellor announced last year. Plus increasing demands on services and other costs.

The Scottish Government will now have to consider its spending plans and that document will be published on 16 December 2015. A particular spending pressure is the rising cost of social care. The Chancellor has addressed this in England by allowing councils to raise the Council Tax by 2% - raising £2bn. The Scottish Government will have to decide if they will adopt a similar approach - ending the regressive Council Tax freeze. That would be enough to pay the Scottish Living Wage to all care workers.

Capital funding in Scotland will increase by 14% over four years, plus small sums for new air routes and the Burrell Collection refurbishment.

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