

December 2017

## Scottish Government Pay Policy 2018-19

In last week's budget [briefing](#) we highlighted the key elements of the Scottish Government's [pay policy](#) for next year. This technically only [applies](#) to direct government employees as well as NDPBs, Scottish Water and the Scottish Police Authority.

While the headlines matter for everyone in terms of budget allocations, the detail needs to be studied by local negotiators in the directly impacted services. The key features of the 2018-19 Pay Policy are:

- A guaranteed minimum increase of 3% for those who earn £30,000 or less.
- Continuing the requirement for employers to pay staff the real [Living Wage](#) (£8.75ph).
- Up to 2% on the increase in baseline paybill for those earning above £30,000 and below £80,000.
- Limiting the maximum pay increase for those earning £80,000 or more to £1,600.
- Extending flexibilities to use up to 1% of paybill savings on baseline salaries.
- Non-consolidated payments amounting to no more than 1% of salary, for employees already on the maximum of their pay range (who no longer benefit from progression) or on spot rates
- Affordable and sustainable changes to their existing pay and grading structures where there is clear evidence of equality issues.
- Pay progression continues to be out with the Pay Policy limits;
- Maintains the suspension of non-consolidated performance related pay (bonuses);
- Continues the policy commitment to No Compulsory Redundancy.

Negotiators will want to pay close attention to the technical guidance notes when [published](#) and the language used. The 3% is a '*guaranteed minimum increase*' below £30k and '*up to*' 2% above that. There will be some smoothing provisions to address any 'cliff edge' issues.

In the UNISON [submission](#) to the pay policy consultation we argued not just for a significant pay increase, but greater flexibility in local negotiations. The pay policy has moved slightly in this regard, although still overly prescriptive. Negotiators can take advantage of the 1% paybill savings provision and the use of non-consolidated payments. Equality issues can also be considered and gender pay gap reporting requirements may be relevant here.

Of course, a pay policy without funding is simply an aspiration. While much focus has rightly been given to local government in this regard, the funding allocations to many NDPBs also fall short of what is required to meet the full cost of the pay policy. The draft budget [sets out](#) allocations down to Level 3, which at least gives a headline indication of funding for the coming year. As we explain [here](#), even a real terms increase may not be all it seems.

In summary, the pay policy falls short of a real terms pay increase for many members, but there is some flexibility in local negotiations.

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