

Public Sector Pay 2012 - 2013

Introduction

This briefing provides an overview of the Scottish Government's guidance for Scottish Public Sector Pay Groups in 2012/13.

This pay policy guidance applies to those public sector bodies whose pay requires the approval of Scottish Ministers. This includes the Scottish Government, Executive Agencies and related Departments which have their own pay bargaining units and others such as: Scottish Water, Skills Development Scotland and Highlands and Islands Airports Limited.

The policy for 2012/13 applies to those public bodies that will enter new pay settlements between April 2012 and March 2013 (inclusive).

Background

The guidance states that the Scottish Government's Pay Policy has three strategic aims:

- To make sure that public sector pay settlements are tightly constrained in the current financial climate; remain affordable and sustainable; and, through the targeting of resources, that value for money is secured;
- To provide flexibility within an overarching policy of pay restraint for public bodies to provide some support for the lower paid; and
- To continue to work towards making sure that pay is fair and non-discriminatory.

Key Pay Policy Priorities

The guidance highlights the real term reductions in public sector budgets for Scotland in 2012-13 stating that reductions in pay bills across all public sector organisations will be required. To allow organisations to maintain, as far as possible, staff numbers and employment opportunities at this time of budget reduction, pay increases must again be tightly restricted and every opportunity taken to bear down on pay costs. Within that key message of constraint, public bodies will continue to have some flexibility to support the lower paid.

KEY POINTS:

- A pay freeze is planned for 2012/13
- Those earning under £21,000 should receive a minimum annual pay increase of £250
- Employers covered by the policy are required to apply a Scottish Living Wage. This should correspond to an hourly rate of at least £7.20



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Main Features of the 2012/13 Policy

Pay Freeze

A pay freeze (zero percent basic award) for all staff will apply for 2012-13. Subject to measures set out to address low pay, all pay ranges will continue to be frozen for 2012-13.

Support for low paid staff

Employers covered by the policy are required to apply a Scottish Living Wage. This should be set as an annual gross salary equivalent of £14,094 but, in circumstances where conditioned hours are less than 37.5, the full-time annual salary must correspond to an hourly rate of at least £7.20. This is an updated level compared to 2011-12.

In addition, the policy makes a commitment that all staff earning less than £21,000 per annum should receive a minimum annual pay increase of £250.

In order to address any possible 'leapfrogging' and to maintain the integrity of pay systems, public bodies may propose an exceptional and modest base pay increase where staff are in receipt of a base salary that is just above £21,000. Organisations should work closely with the Scottish Government Finance Pay Policy team if this issue affects their pay system. In addition, limited flexibility will be allowed to ensure that the application of these specific measures does not undermine the structure of organisational pay scales.

No Compulsory Redundancy

One of the key elements of Scottish Government pay policy over the last four years has been the claim of no compulsory redundancies. The Government believes this commitment has created the right atmosphere to enable substantial savings to be found year on year which have already transformed efficiency in Scottish Government. The Government will continue the policy position of no compulsory redundancies for a further year on condition that agreements are reached on flexible working practices which reduce costs while maintaining headcount and services.

The Scottish Government will not lay down what flexibilities are necessary and appropriate for a particular staff group. So their policy encourages employers to negotiate no compulsory redundancy agreements with staff and their representatives as part of collective bargaining negotiations for 2012-13. The details will be for agreement between employers and staff groups.

Proposals for increased flexibilities in exchange for no compulsory redundancies must be fair and effective. The key aim remains to maintain headcount as far as possible while living within sharply reduced budgets.

Action for Branches

This briefing paper is intended to update members on the Scottish Government's Public Sector Pay Policy 2012 - 13 and to encourage debate within branches.

Further info

UNISON Scotland's response to the Public Sector Pay Proposals can be found on our website:

www.unison-scotland.org.uk

Scottish Government: Public Sector Pay Proposals 2012/13:

<http://www.scotland.gov.uk/Publications/2011/09/21105455/0>



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