

Briefing on ..

Implications for Scotland

Introduction

Following the UK general election a Conservative/Liberal Democrat Government has been formed at UK level. The basis of the coalition is an agreement on key policies. This briefing looks at this agreement and identifies the implications for UNISON members in Scotland, recognising that many of the provisions only apply to England.

Cabinet

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As with most new governments there has been much hype about 'New politics' etc. In practice this looks like a pretty typical establishment mix of people. In the main they were educated at private schools and Oxbridge. There are only three women and only one of those is in a top post. They tend to represent the professional politician class that has become more prevalent in all parties in recent years. Very few have any real experience of the challenges UNISON members face daily.

One advantage of the coalition might be a moderating influence on a right wing government ideologically hostile to the public sector. However, three of the five Liberal Democrats in the Cabinet are what is known as 'Orange Book' Liberals who favour more right wing economic policies than those traditionally associated with that party. Crucially these include the 'Orange Book' editor David Laws, who has argued for the dismantling of the NHS, and is now Chief Secretary to the Treasury.

The Secretary of State for Scotland is the Inverness Liberal Democrat MP, Danny Alexander. He is not closely associated with any grouping in the party other than the leader Nick Clegg, as he was his Chief of Staff. He has a public relations background. As the author of the Liberal Democrat manifesto it has been pointed out that he was in favour of abolishing the post he now holds. The sole Tory MP in Scotland, David Mundell, will be the Minister of State. It remains to be seen how active a role the new ministers take and how far they will reflect opinion in Scotland within the Cabinet.

The Coalition Agreement

This document represents the main points of agreement between the two parties. A more detailed paper is being prepared for publication in the coming weeks.

Budget Cuts

There will be a further £6bn of cuts this year. This is the Tory plan that the Liberal Democrats opposed. It is not clear where these cuts will be found and what the Barnett consequential for Scotland will be. This may become clearer in the emergency budget next month and the spending review later in the year. As English NHS spending is to be ring fenced this puts even greater pressure on other UK budgets.

The Financial Times sum this up as follows: "their plans for specific – and uncontroversial – spending increases and tax cuts are well defined, while the broader objective of large net spending cuts and tax increases remains cloaked in secrecy..... Mr Osborne will have to announce public spending cuts of £57bn a year by 2013-14 from a non-protected budget of about £260bn – cuts of about 22 per cent."

On this basis it is likely that most public bodies in Scotland will continue to plan even greater cuts in anticipation of larger cuts to come.

Public Sector Pay and Pensions

There is a vague reference to arrangements to protect those on low incomes from the effect of public sector pay constraint, but no definition of what that constraint will be. On public sector pensions the agreement states they will "establish an independent commission to review the long term affordability of public sector pensions, while protecting accrued rights". We need to see what the detailed remit is and who is appointed before being satisfied that this is a genuine 'Independent' commission.

The agreement is silent on employment rights other than a reference to "working to limit the application of the Working Time Directive". That sounds like an attack on working hours and paid holidays.

Scottish Parliament

The agreement states they will implement the Calman commission proposals. This involves greater financial accountability for the Scottish Parliament and some further powers. They will also establish a Commission to consider the 'West Lothian' question. This refers to Scottish MPs voting on matters that relate solely to England.

Broader UK matters that impact on Scotland

There will be a range of measures that apply across the UK. On personal taxation the NI increase will go ahead for employees – but not for employers. Income tax allowances will be increased, with a long term policy objective of increasing the allowance to £10,000. The state pension age is to rise to 66, not sooner than 2016 for men and 2020 for women. Other provisions on energy, civil liberties and air transport have a partial impact on Scotland.

UNISON Reaction

UNISON General Secretary Dave Prentis said:

"We now face our biggest challenge ever. Without a strong union, no public service will be safe from privatisation and cuts. Without a strong union, no public service worker's pay and pension will be secure.

The Lib-Dems have already ditched their promise to oppose the Tories' plans for £6bn cuts this year. This will put the recovery at risk, and cost thousands of jobs. Plans for more cuts will follow, hitting communities hard. We will fight tooth and nail to protect our members and the vital jobs they do. We will seek to build strong alliances, particularly with local communities and service users, to campaign against cuts and privatisation."

Further Information

The full cabinet:

<http://www.cabinetoffice.gov.uk/government-business/government-ministers-responsibilities.aspx>

The Coalition Agreement in full:

http://news.bbc.co.uk/1/hi/uk_politics/election_2010/8677933.stm

Calman Commission report: <http://www.commissiononscottishdevolution.org.uk/>