

January 2007

## Labour policy document backs in-house services

Among a number of positive policies outlined in the new policy document passed by Scottish Labour's rearranged conference in the windswept west coast port of Oban in November, media attention focussed on the exclusion of soft Facilities Management (support services) from future PPP contracts and a presumption that in-house services will be the norm as current health contracts expire.

The policy commitments include many others of significance to UNISON. UNISON and the other affiliated unions had championed the 'Workplace Agenda' throughout the policy process that culminated in the debate and votes at conference.

The key trade union issues in the programme are highlighted in the document *Delivering on the Workplace Agenda* launched with First Minister, Jack McConnell MSP and Party Chair Hazel Blears MP at the STULP reception. This paper sets out 75 policy commitments of particular relevance to trade union members.

The main theme is continuation of Scotland's distinctive public serv-



Jack McConnell at the launch of *Delivering the workplace agenda*.

ice model as argued for in UNISON's *Revitalise our Public Services* manifesto. Attempts to import the problems facing colleagues in England were soundly defeated. Instead we have a commitment to comprehensive education, an integrated NHS, a public water service and new roles for local government.

Specifically for members - new initiatives for education staff, action on assaults on public service workers, long term funding for community wardens and developing the role of police staffs. Careers staffs to be employed by local authorities, funding for the implementation of the 21st Century Social Work plan and support for learning representatives in life long learning.

### Support for members

In addition to the measures protecting NHS support staff there is support for wider nursing roles and measures to tackle drop out rates of student nurses, reducing dependency on agency staff and ensuring that overseas nurses are not exploited. *Delivering on the Workplace Agenda* can be viewed at <http://www.unionstogether.org.uk/documents/Deliveringtheworkplaceagenda.pdf>

## On the fringe

UNISON was also active on the fringe at a joint meeting with Oxfam 'Public not Private - How to End Global Poverty'. Sofi Taylor set out UNISON's position on a platform with Oxfam and Douglas Alexander MP, (Secretary of State for Scotland).

Other fringe events included our popular 'Revitalise the Scottish Labour Party' meeting that gave delegates an opportunity to consider internal party reform with UNISON's Dave Watson and Michael Meacher MP, Chair of the Labour Commission. Dave also set out UNISON Scotland's energy strategy at a fringe meeting with Allan Wilson MSP.



Douglas Alexander MP, Des McNulty MSP, Eilidh Whiteford (Oxfam) and Sofi Taylor (UNISON) at the *Public not Private* fringe

# Tories threaten £21bn spending cuts

## New image - same old Tories

When the Tory Shadow Chief Secretary to the Treasury, George Osborne MP put Lord Forsyth of Drumlean in charge of the Conservatives' tax commission last October, he asked him to come back with a simpler, flatter tax system.

Eleven months later, the Scottish peer has returned with a package of proposals in a 176 page report that would slash taxes by £21 billion and wreck public spending.

The report shows that the Tories have not changed; they remain committed to deep and savage cuts in public services and tax cuts for the few and not the many.

The scale of these tax cuts are so huge, they could only be paid for by savage cuts in public spending, which will affect our schools, hospitals and our police service.



Lord Forsyth of Drumlean. Yes - It's him!

At the core of its critique is the inexorable rise in the tax burden, which absorbed 39 per cent of national income a decade ago but is predicted to hit 42.6 per cent next year. The impact on the average household has been stark — if tax revenues had remained at the 1996 level in real terms, they would be paying £5,140 a year less than at present. Analysis from the Labour Party shows that the Tories' planned tax cuts are not just completely unaffordable without massive cuts to public spending, but completely unfair.

The Tory promise that the first test

of every new policy would be what it did for the least well-off in society has been betrayed with this report.

## Black Hole

These cuts would leave a black hole in the public finances. The Tories are playing fast and loose with the economy risking high interest rates and a return to the old instability of the past.

The Tories have have learnt nothing from the last two elections: they are the same old Tories with the same old policies - massive tax cuts for the rich, savage spending cuts for our public services.



Tory leader David Cameron must come clean and spell out what the impact of these spending cuts would mean for schools, hospitals and public services across the UK.

The package of Tory proposals are unfair and hugely regressive:

- The abolition of inheritance



tax – would only benefit the wealthiest 6 per cent of estates.

- The transferable income tax allowance – only 3 per cent of the benefit would go to the poorest 10 per cent of families, where 1.2 million couples - a third of them pensioners - wouldn't gain a penny because they earn less than the allowance,

## Poorer Families Hit

The combined effect of the new higher income tax allowance, the abolition of the 10p starting rate, the new 20p basic rate, and abolishing tax credits for hard working families higher up the income scale would mean:

- Only a third of the poorest quarter of households see any benefit at all – two-thirds wouldn't gain a penny, whereas every single household in the wealthiest quarter benefits, and the richest households end up more than a thousand pounds a year better off;
- The households who benefit least are one-parent families and pensioners living on their own, whereas households who benefit the most are couples with no kids. Whereas 92 per cent of couples with no kids benefit from these proposals, less than half of one-parent families and pensioners living on their own gain a penny.
- Abolition of stamp duty on shares – costing around £4 billion and doing nothing for millions of hard working families.
- Abolition of R&D Tax and Film Credits – hitting manufacturing hard and devastating the British film industry.

# Liberal Democrat Local Income

## Tax? - No thanks!

Dave Watson, Labour Link Organiser explains why UNISON says No to Liberal Democrat plans for Local Income Tax.

What is important with any tax is that it is fair, hard to avoid and simple to collect. Currently we have different types of tax, on earnings, property on spending, on business. Moving away from taxing property to taxing earning places more of the burden on hard working families, not on the wealthy.

Property-based taxes mean one bill per household, income taxes bill each person. The more workers in your household - the more you pay. Any overtime you do will be taxed, the more you work the more you pay. Liberal Democrat claims that people will be better off under local income taxes are based on assumption of single earner households. If couples both work they risk being worse off.

### Local income tax doesn't make the rich pay more

The really rich can move their wealth to avoid paying their share. Many rich families choose to live abroad for long periods to avoid paying income tax and many landowners are in fact foreign nationals. They still pay council tax on their UK homes. Under a local income tax the super rich



Sharing house would no longer be so attractive for young workers. Each individual will be billed separately. Two newly qualified teachers (£21588) and a newly registered nurse (£16525) **would be £594 worse off per year.** (based on a local income tax of 3.75% of the average Council Tax of £1094)

could pay nothing yet still expect their bins emptied! Property is impossible to hide or move abroad to tax shelters.

### Property values are a good proxy for wealth

The value of your house is related to how well-off you are. It has to be bought or rented. Property is in itself a form of wealth that you can sell at a profit. You can even pass it on after your death.

Income is also only an indicator of ability to pay. The cost of dependents like children and mortgages means that those on a higher salary

often have less disposable income than people with no dependants who own their property outright.

### Improve the Council Tax

The Council Tax banding system needs reform. The current system limits how much those with very expensive properties have to pay. A £400k house pays three times as much as a £40k house not ten times.

This is why it takes up a bigger proportion of lower incomes than higher – just like VAT – not because it is a property tax.

## Using your Vote

Voting is the single most important thing you can do to make your voice heard in Scotland. By voting you're helping to decide who will make decisions on the issues that affect you everyday.

If you're eligible to vote, make sure you don't miss the oppor-

tunity to have your say. To be eligible to vote in Scotland, your name must be on the Register of Electors. You can add your name to the Register throughout the year, up to the point when nominations for elections close.

To find out if you're already on



the Register or to register your name, contact your local Electoral Registration Officer (<http://www.votescotland.com/stv/82.html>)

# Water privatisation - 'costly mistake'

Research commissioned by UNISON and other water unions from the Public Research Network (PIRN) at Strathclyde University was launched at the recent STUC water conference. The

research covers the regulation of Scottish Water, the various factors that are tending towards privatisation and the policy options ahead.

The report sets out in detail why

privatisation would be a costly mistake in Scotland and highlights the pressures from the regulator and others towards that. Equally importantly, the research shows that in the water industry, mutualisation is simply privatisation by the back door.

## We need your help

On Thursday 3 May 2007, all 129 Members of the Scottish Parliament are up for election for the third time since the Parliament was established by Labour. 73 MSPs are constituency based and the remaining 56 are elected by Single Transferable Vote on the Regional List system. The battleground for this election will be the future of public services in Scotland.

Labour MSPs are working closely with UNISON on the union's *Make Council Tax Better* campaign and our *Revitalise Public Services* campaign. First class, responsive and efficient public services are critical for Scotland. Only Labour working closely with UNISON will continue to deliver the quality public services that UNISON members provide.

The Scottish Parliament and the Local Government elections will be crucial for all of us. Every helper makes a difference. Please encourage as many members as possible to volunteer to help.

Contact Dave Watson or Kevin O'Neil (k.oneil@unison.co.uk or 0870 7777 006) for details of how you can best support Labour's campaign in Scotland.

Equally important is to ensure the message is understood in every workplace. Labour Link materials have been mailed to members, but it is vital that every member turns out to vote on Thursday 3 May 2007. The future of our public services is at stake.

If you can spare some time to help with the campaigns, then please complete the form below and send it to:

**Kevin O'Neil, UNISON House, 14 West Campbell Street, Glasgow G2 6RX or email k.oneil@unison.co.uk**

Name .....

UNISON Scotland Branch .....

Constituency Labour Party .....

Address .....

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Telephone Number.....

E-Mail Address .....

There are alternatives. A revitalised public sector using models from countries like Ireland and Sweden could keep water in public hands and have added advantage of costing customers significantly less. This ties in with international campaigns against water privatisation.

Our first priority is to ensure that Scottish Water remains public. Through Labour Link, the recent Scottish Labour Party conference confirmed this commitment.

Scottish Organiser Dave Watson said: "Scottish Water should remain publicly owned and accountable. Although mutualisation sounds attractive it only provides a façade of democracy as the banks would control the organisation and all services would be privatised."

Next we want to develop a new public service model that strengthens democracy and addresses many of the regulatory problems identified in the report. A discussion document will be circulated and a range of meetings organised.

### Constituency Labour Party Affiliations 2007

Early in the New Year we will be reviewing our affiliations and delegations to CLPs. Branch Labour Link Officers will be asked to review their local arrangements.

Kevin O'Neil from the Policy and Information Team will be contacting all of the Branch Labour Link Officers in the coming month.