

## Briefing for the Public Petitions Committee

**Petition Number:** [PE1808](#)

**Main Petitioner:** Gerald Seenan

**Subject:** Remuneration of vital public service employees

Calls on the Parliament to urge the Scottish Government to substantially increase the remuneration of vital public service employees, especially NHS and community care staff.

### Background

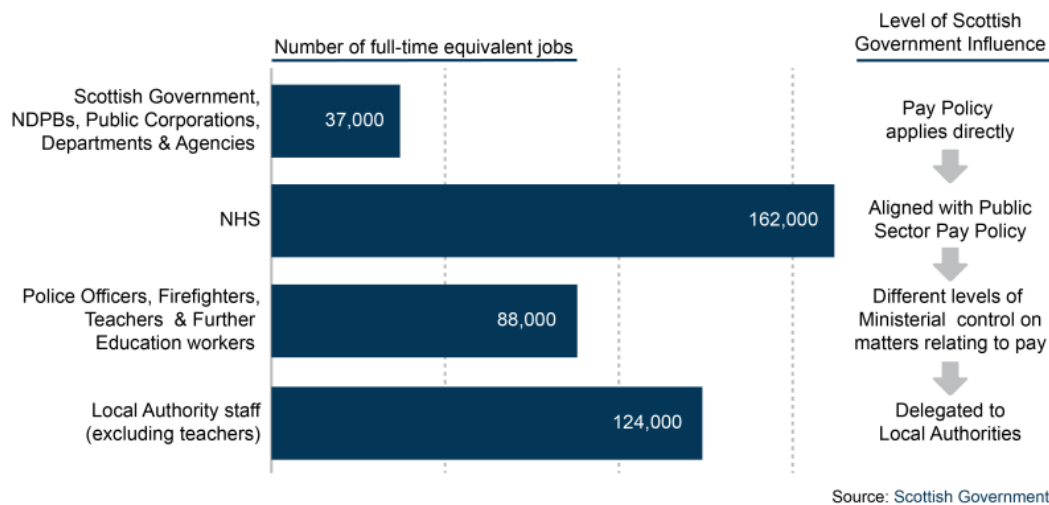
The Scottish public sector paybill is around £15bn per year. Each year, alongside its Budget, the Scottish Government sets out a public sector pay policy. The pay policy does not apply directly to all public sector staff. It only affects the pay of Scottish Government staff, and the staff of [46 public bodies](#), which together account for around 9% of the Scottish public sector (around 37,000 staff). Large parts of the public sector, such as local government and the NHS are not directly covered by the Scottish Government's pay policy and pay is determined separately for these groups, although often in line with the Scottish Government's pay policy and - in some cases - with some Ministerial control.

The main features of the [2020-21 pay policy](#) are:

- a guaranteed basic pay increase of 3 per cent for public sector workers who earn below £80,000
- limiting to £2,000 the maximum basic pay increase for those earning £80,000 or more
- continuing the requirement for employers to pay staff the real Living Wage, now set at £9.30 per hour
- a guaranteed cash underpin of £750 for all staff who earn £25,000 or less

For other groups within the public sector, the degree of influence of the Scottish Government varies. The public sector pay policy acts as a benchmark for pay negotiations, but is not automatically implemented. For NHS staff, the Scottish Government takes advice from the [NHS Pay Review Body](#), but can opt to adopt a different pay policy if it chooses. At the other extreme, the Scottish Government has no direct influence over the pay of one of the largest groups of public sector employees – local government staff.

## How much influence does the Scottish Government have on public sector pay?



Although it does not directly determine pay for large numbers of public sector staff, the Scottish Government’s pay policy notes that:

“This policy also acts as a benchmark for all major public sector workforce groups across Scotland including NHS Scotland, fire-fighters and police officers, teachers and further education workers. For local government employees, pay and other employment matters are delegated to local authorities.”

For NHS staff in Scotland, a [three year pay deal](#) was agreed in 2018 covering 2018-19 to 2020-21. The provided a cumulative 9% uplift made up of 3% in 2018-19, 2.8% in 2019-20 and 2.95% in 2020-21.

There is also a [three year pay deal](#) in place for local government staff in Scotland, which awarded pay rises of 3.5% in 2018-19 (for those earning up to £80,000), followed by increases for all staff of 3% in 2019-20 and 2020-21.

As part of its [coronavirus response package](#), the Scottish Government agreed to provide additional funding to local government in order to ensure that all adult social care workers continued to be paid at least the living wage (which has increased from £9 an hour to £9.30 an hour). This was equivalent to a 3.3% pay increase.

### Scottish Government Action

As noted above, the Scottish Government does not have direct responsibility for setting the pay of a significant proportion of public sector staff – and in particular, for many of those who would be classed as ‘key workers’ e.g. working in the NHS or social care sectors. However, as highlighted above, in response to the coronavirus pandemic, the Scottish Government did agree to provide funds to local government to ensure that they could offer a 3.3% pay increase to adult social care workers and continue to guarantee payment of the living wage to this specific group of key workers.

## Scottish Parliament Action

At [First Minister's Questions on 6 May 2020](#), Richard Leonard MSP raised the issue of pay for care home workers:

### **Richard Leonard:**

Our care workers are putting themselves at risk in the front line of the battle against Covid-19 every day and every night of the week, but many of them are among Scotland's lowest-paid workers. Last week, the First Minister said:

"We will be looking for quite some time to come at how to properly recognise and reward those on the front line of our health and care services."—[*Official Report*, 28 April 2020; c 67.]

There is action that can be taken now. Last week, the First Minister told me that the Cabinet Secretary for Health and Sport was developing a death-in-service payment. When it was announced, however, it applied only to national health service staff, not to care workers, disappointingly. That is something that the First Minister could and should put right.

The Scottish Trades Union Congress has called for all key workers, including care workers, to receive a pay rise of £2 an hour. Will the First Minister support that call from the STUC, and will she provide the funding for it? Will she see it as an important first step in ending the long-term undervaluation of our care workers?

### **The First Minister:**

Death-in-service benefits are important and we want the issue to be properly addressed for staff in the social care sector. The reason why the announcement by the health secretary covered the NHS is a basic but important practical one: the Scottish Government, via the NHS, employs those staff, while the same is not true for the social care workforce. We are not in the same position there, and we do not have the same ability to make the decisions for that workforce that the health secretary announced for the national health service.

That does not mean, however, that we are not working in other ways to address those issues more broadly. I will say this bluntly: I bow to nobody in my admiration, respect and deep gratitude for health and care workers the length and breadth of this country. As I have always done—when I was health secretary and since I have been First Minister—I want us to ensure that, as far as we can within the resources that we have, we are rewarding those workers properly. I will not labour the point, and this is not to say that they are paid enough at all, but social care workers in Scotland are already paid more than their counterparts in England and Wales.

As we go forward, we want to value those who have done so much for us, but we do that in discussion and in consultation. We discuss issues of pay and reward in partnership with trade unions and employers. Right now, we are holding twice-weekly discussions with the STUC and general council

members. Jamie Hepburn met representatives of the STUC on Friday, and Jeane Freeman is meeting Unison representatives tomorrow, I think. We are taking forward those discussions in the proper way.

Let me be clear: we owe a deep debt of gratitude to health and care workers, and it is one that I am certain must be paid, certainly in words and recognition, but in more than words, too.

The Parliament's Economy, Energy and Fair Work Committee took evidence on [29 May 2020](#) on Covid-19 and its impact on Scotland's businesses, workers and the economy. This included some discussion around the pay of key workers, from James Smith of the Resolution Foundation.

An [oral question on 14 May 2020](#) asked for the Finance Secretary's views on a campaign for a £2 per hour pay increase for key workers in Scotland:

**Neil Bibby (West Scotland) (Lab):**

I declare that I am a member of the GMB trade union. This evening, I will join my neighbours in clapping for our key workers, and I am sure that the finance secretary will do likewise. This week, it has been reported that the Treasury is considering a public sector pay freeze to help to pay for the cost of the coronavirus crisis. Does the Cabinet Secretary for Finance agree with GMB Scotland and other leaders of the campaign for a £2 increase to key workers' hourly rate that clapping is easy but, after the applause, our key workers should have a pay rise that recognises their true contribution?

**The Cabinet Secretary for Finance (Kate Forbes):**

I agree with the sentiment of Neil Bibby's question, which is that our public sector workers who have been on the front line in tackling the virus deserve our recognition and deserve more than that as well. I recognise the contribution that they have made—I have said it before and will say it again. Ministers have had twice-weekly discussions with the Scottish Trades Union Congress and general council members during the current crisis, and we will actively engage with the STUC and GMB campaigns as part of our on-going dialogue. We have supported the payment of the real living wage in our public sector pay policy since 2011. That is a decisive long-term commitment to those on the lowest incomes. We want to ensure that, after this, we acknowledge the incredible sacrifices that our public sector workers have made.

**Nicola Hudson**  
**Senior Analyst**  
25 June 2020

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