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Parliamentary Update, Winter 2010

BUDGET SPECIAL



What does the Scottish Government's Budget mean for Scotland?

As you will know, the Scottish Government recently published its budget for the next year. I know that many constituents will have questions about the measures contained in the budget, and I hope this newsletter helps to answer them.

I believe that this budget demonstrates the positive agenda that the Scottish Government has for Scotland, against a climate of cuts coming from the coalition Government in Westminster.

There is no doubt that this is a serious budget for serious and tough times. The budget is about jobs, social justice and economic growth for Scotland, a budget that's about making Scotland better for all our people. That's why the Scottish Government has taken decisions like protecting the health budget, freezing the council tax, not raising income tax, freezing public pay for those earning over £21 000, cutting NHS management by 25% and protecting police numbers.

The Finance Secretary, John Swinney, has a good track record of delivering balanced budgets to meet the needs of the country. I believe that he has done so again.

In this newsletter, I have outlined some of the big announcements from the budget and reasons why I believe that they are right for Scotland. This budget is not a political giveaway wish list. It's about responsibility and creating an environment where Scotland can show there is a better way than the cuts coming from London. I'm confident that you will agree that the Scottish Government has delivered the best possible deal for Scots households and communities in very difficult circumstances.

I'd like to know what YOU think about the budget. Send me your thoughts and questions.

Best wishes

Christina



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Will the council tax freeze stay?

The Scottish Government will fully fund another 2 years of frozen council tax for households across Scotland. This policy will save money for households across the country by ensuring that your council tax doesn't go up one penny, without local authorities losing out financially. I believe that this policy is the right one to support hard pressed households and do what we can, with the powers available to the Scottish Parliament, to protect those struggling to make ends meet.

What about the NHS?

Whether or not there's an economic crisis, we don't believe it's right that the sick should pay to get better. That's why the charge for all prescriptions will be removed from April next year, ensuring that the NHS is free at the point of need.

In addition, health spending in Scotland will also be increased by an additional £280 million, receiving the full 'Barnett consequential' that Scotland gets from health spending in England. NHS Lanarkshire will receive an increase in its budget of 3.2 per cent. Priorities for the NHS in Scotland will be continuing to deliver the lowest ever waiting times and hospital infection rates.

There will be savings made in the NHS, though. Senior managers will have their pay frozen and, over the period of the next Parliament, an SNP Scottish Government will seek a reduction of 25 per cent in NHS management numbers. All savings will be reinvested in frontline patient care.

What will happen with free personal care and concessionary travel?

These policies are at the heart of our values. We believe that the protection of the most vulnerable and social mobility are paramount to the well-being of our population. That's why we're protecting these services and believe that the social benefits from each far out-weigh the financial costs.

Not only are we protecting free bus travel, but we're actually extending it to injured veterans too. Free personal care and concessionary travel are here to stay under this Scottish Government.

I'm concerned about police funding. Will there be fewer bobbies on the beat?

There have been some wild claims in the press about huge cuts in police funding. What was announced in the budget is a small cut – only £25 million, or around 3.5%.

Crucially, this funding is enough to maintain the SNP's 2007 pledge to recruit 1000 extra police officers by 2011. At June 2010 there were 1,190 more police officers than at March 2007. The Government has reached an agreement with COSLA to maintain officer numbers at this level.

What about public services as a whole? Can they survive four years of cuts from Westminster?

Headed up by former president of the STUC, Campbell Christie, the Scottish Public Services Commission will look at how we can reform our public services to ensure that we deliver the best service possible, and get real value for money for the Scottish tax payer. This is a move that shows how serious and committed we are to world class public services, and ensuring that money spent is spent wisely.

That is why we are only publishing one year spending plans. Given the choice between simply implementing Westminster's cuts for the next four years and properly reviewing the way in which we deliver public services, so that we can continue to protect jobs and services, I strongly support John Swinney's decision to take the latter route.

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How will education be affected? Will we see the introduction of tuition fees?

The Scottish Government believes that education funding is a vital investment in Scotland's future.

Local authorities will be asked to sign an agreement to maintain pupil-teacher ratios in P1 – P3, reduce teacher unemployment as much as possible and protect teaching posts.

The Government is establishing a £5 million fund for new early years support through our voluntary sector, with the intention of increasing it in the coming years. The school building programme will go ahead, with central funding for 55 new schools across Scotland's local authority areas.

Whilst England has removed the Educational Maintenance Allowance for students at college, this Government will continue protect them in Scotland. It has also ruled out tuition fees and will protect the number of student places in further and higher education, as well as protecting devolved funding for university research.

What about housing?

The Government has committed to building around 6,000 new homes. We remain committed to investing in new social housing across Scotland. Because the Scottish Government brought forward funding last year to kickstart its house building programme and support the construction industry, this year there will be a modest fall in funding of around 25%, in line with the overall capital budget cut from London. This is in stark contrast to the situation in England, where housing budgets are being slashed by as much as 51%.

The investment of £600 million will stimulate our economy and deliver 7,500 new jobs across Scotland.

What about the Government's wage bill? Will there be some changes?

Around £14bn of the Scottish block grant is spent on pay. This means that a choice had to be made between pay and jobs. The Scottish Government believes jobs are crucial, which is why the decision has been made to freeze pay for those earning over £21,000 a year, in order to protect 10,000 public sector jobs.

Those earning less than £21,000 a year will be given a minimum £250 increase this year and next. This affects those whose pay packets are within direct control of the Scottish Government, which includes the NHS, civil servants and quangos. This move is about protecting jobs and although we know a pay freeze is tough to cope with, it will also enable the Government to continue with its policy of no compulsory redundancies. John Swinney has tried to mitigate the effects of the pay freeze by freezing council tax and abolishing prescription charges.

On top of this measure, the Scottish Government will also increase its living wage for all Scottish Government employees to £7.15 per hour.

I'm concerned about the environment and want reassurance that it hasn't been forgotten in this budget.

The Scottish Government remains committed to its world-leading climate change targets. That's why it will increase the Climate Challenge Fund by an extra million pounds to £10.3 million. Strong targets on recycling will be supported by a £2 million increase in the Zero Waste Fund.

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How will the Government save money and will it affect public service delivery?

This Government has a strong track record on delivering a more efficient Government. On taking office it set out to produce a 2 per cent annual savings target – but figures show that this has been exceeded every year. That is why the new target has been increased to efficiency savings of 3 per cent each year – to enable us to deliver better services in the most effective manner.

There will also be a cut of 10 per cent in Scottish Government administration costs, 10 per cent cut in the senior civil service salaries pay bill in 2011/12 and 25 per cent over the next 4 years. On top of this we will also see bonuses in all areas of Government control suspended, and continued reduction in quangos by 25 per cent.

What about local services, how will our council fare in this budget settlement?

Despite the cuts from Westminster, local government's share of the Scottish Budget of 34.5% has been preserved. The cut to the local government budget will be 2.6% - far less than the 7.2% cut imposed on councils south of the border.

Councils will be asked to accept the settlement that the Government has agreed with COSLA. This includes the delivery of current single outcome agreements, £70m to maintain the council tax freeze, maintaining record numbers of police officers, maintaining pupil-teacher ratio in P1-P3, protecting teacher posts and reducing teacher unemployment as far as possible, working with teaching unions on pay and related costs, the creation of a new Change Fund of £70m to help with the pressures on the health and social care system, continuation of the joint agreements on free personal care (including up-rating the payments) and joint working towards the implementation of the Carers and Young Carers Strategy at a local level (including an extra 12 weeks' respite provision).

If councils accept this deal, they will receive a small cut of 2.6%. If they don't, they will get a cut of 6.4% - equivalent to a 17% rise in council tax. This is after the Scottish Government fulfilled its commitment to increase their share of the overall budget during 2008-11 following years of steady decline under the previous administration.

What about job creation and the national economy?

The Government will invest in a £2.5 billion programme of capital investment to support jobs and economic recovery. Vital infrastructure projects such as the completion of the new Southern General Hospital and road upgrades to the Raith Interchange and Newhouse to Bathgate route will be fully funded, either by public money or through a non-profit funding model. On top of this, the Small Business Bonus Scheme will be continued.

There will be an investment of £284 million through Scottish Enterprise in attracting, promoting, supporting and expanding Scottish business.

34,500 training opportunities will be provided and university and college places maintained, alongside investment in apprenticeships to build a workforce fit for the future.

There will be a £70 million investment in our green economy through the National Infrastructure Fund. There will also be support for the expansion of broadband services across Scotland and an investment of over £10 million to support Scotland's growing food and drink industry.