



Cabinet Secretary for Finance
Kate Forbes MSP

T : 0300 244 4000
E : scottish.ministers@gov.scot

Angela Scott
anscott@aberdeencity.gov.uk

Our Reference: 202100141102
Your Reference: AS/JB/SG

27 January 2021

Dear Angela,

Thank you for your letter of 8 January to Kevin Stewart, Minister for Local Government, Housing and Planning, about a recognition payment for council employees following the decision to pay NHS workers a £500 payment. I am replying as Cabinet Secretary for Finance.

Along with all other Ministers I am hugely grateful for the heroic efforts of all key workers across Scotland, including local government, who have risen to the challenge of responding to the pandemic and kept our essential services available.

This payment is for NHS and social care staff. While the UK Government announced a public sector pay freeze for 2021/22, Scottish Ministers will publish their public sector pay policy for 2021/22 in January and this will recognise the commitment and hard work of the public sector workforce across Scotland.

However, as you are aware, councils are independent bodies, accountable to their electorates, and it is for them, not Scottish Ministers, to decide if the wider local government workforce should receive a COVID recognition payment. Pay for council workers is decided by councils through trade unions negotiating with the Convention of Scottish Local Authorities (COSLA). The Scottish Government has no part in those pay negotiations and Scottish Ministers have no general powers that would enable us to instruct a council to make these recognition payments.



I understand the unions will wish to discuss this issue as part of their ongoing pay negotiations with COSLA and I will pay close interest to the outcome of those discussions.

The Scottish Government have already taken exceptional measures in every area of government to deal with the challenges of COVID-19 and that is particularly clear in the support for local services. To date, the Scottish Government have taken decisive action to commit £382.2 million in additional funding to local authorities in Scotland.

Working in partnership with COSLA, the Scottish Government has delivered on our commitment to support councils across Scotland giving them the powers they need to make informed decisions, at a local level, on the package of financial flexibilities which could be worth up to £600 million over the next two years.

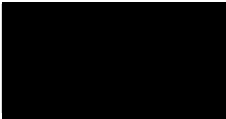
The Scottish Government have also finalised a Lost Income Scheme, however, we are still awaiting confirmation from the UK Government on the exact amount of consequential that Scotland will be allocated for this purpose, but it is estimated that it will be around £90 million although it could well be more depending on the cost of the similar English scheme.

Taken together this latest flexibility and funding package together with the previously committed funding brings the value of the overall COVID-19 support package for councils to around £1 billion.

The Scottish Government is committed to deploying additional funding in a way that is helpful to supporting local government and the COVID-19 response. We will continue to work in partnership with COSLA and individual local authorities going forward to address any additional funding pressures.

I hope this reply is helpful.

Yours sincerely,



KATE FORBES

