

Public Sector Pay in Scotland

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Public sector finances in Scotland are likely to remain under pressure for the foreseeable future. In particular, public sector wages have been scrutinised as employee costs account for a significant share of the overall cost of delivering most public services. The recent Scottish draft budget suggested a long standing pay freeze may be relaxed for some public sector workers.

Much of the recent debate has focused on the coverage and affordability of proposed public sector pay rises in Scotland. There has been less focus on current pay levels in the public sector compared to the private sector in Scotland or the public sector in other parts of the UK.

It is difficult to compare pay between workers in the public and private sectors. The UK Office for National Statistics (ONS) released a video earlier this year outlining these difficulties [\[link\]](#). The latest Annual Survey of Hours and Earnings (ASHE) for 2011 [\[link\]](#) shows the hourly rate of gross pay for public sector employees in Scotland (£13.72) is 42% higher than for employees in the private sector (£9.65).

The overall difference does not take into account the type of jobs, working patterns, qualifications or gender differences between the public and private sector workforce. For example, the difference in gross hourly rate of pay falls from 42% to 36% when only full-time employees are considered.

Earlier this year the ONS measured the pay differential taking into account the type of jobs, working patterns, gender differences and treated the banks consistently as private sector businesses [\[link\]](#). The like-for-like comparison showed public sector workers in the UK earned over 8% more than their counterparts in the private sector. Whilst certainly smaller than the overall gap of 42%, this gap has grown every year since the start of the downturn in 2007 and is now at its highest point in a decade, when the gap was first measured consistently (3% in favour of public sector workers in 2002).

The latest ASHE data also shows that public sector workers in Scotland are the highest paid outside of London and the South East, although public sector banks must be taken into account.

Mid-point (median) public sector pay for full-time workers in Scotland rose by 1.7% last year compared to a rise of just 0.4% for public sector workers across the UK and a 0.4% rise among private sector workers in Scotland. Although all Scottish workers clearly continue to endure tough times, it's not unreasonable to suggest that pay restraint has been felt more sharply among workers in the private sector than the public sector.