



SCOTTISH EXECUTIVE

Health Department
Directorate of Human Resources

NHS
MEL (1999) 68 69

NHS Management Executive
St Andrew's House
Regent Road
Edinburgh EH1 3DG

Dear Colleague

PAY AND CONDITIONS OF SERVICE: GENERAL AND SENIOR MANAGERS

Summary

1. This letter announces an extension to the pay ranges for general and senior managers employed by Health Boards, the CSA, the State Hospital, HEBS, SCPMDE, the Clinical Standards Board for Scotland and the Scottish Ambulance Service for whom the arrangements are mandatory, with effect from 1 September 1999. Trusts are expected to follow the arrangements closely. These pay ranges and the extension do not apply to those Chief Executives and Executive Directors of reconfigured Trusts who have moved on to the revised arrangements for executive remuneration, and for whom specific assimilation arrangements applied.

Pay Ranges

2. For 1999/2000 pay ranges will be extended by raising scale minima and maxima by 2.8% from 1 September 1999. A Direction is attached as an Annex to this MEL. Schedule 2 of the Annex provides new pay ranges effective from 1 September 1999 and replaces Schedule 2 of the Annex to MEL (1998)71 dated 6 November 1998.

3. The scale maxima detailed in Schedule 2 must not be exceeded for payments of consolidated pay.

4. The extension to the pay ranges does not give any individual entitlement to an increase in pay. Individual progression through the pay ranges is based wholly on performance. For PRP earned in the year to 31 March 1999 Health Boards and Trusts are reminded that those managers with fully acceptable performance should be restricted to no more than 2.8% and those with demonstrably outstanding performance, to no more than 6% as advised in the letters dated 28 June to Chairs of Health Boards and Trusts.

14 September 1999

Addressees

For action:

General Managers, Health Boards

General Manager, Common Services Agency

General Manager, State Hospital

General Manager, Health Education Board for Scotland

Executive Director, Scottish Council for Postgraduate Medical and Dental Education

General Manager, Clinical Standards Board for Scotland

General Manager, Scottish Ambulance Service

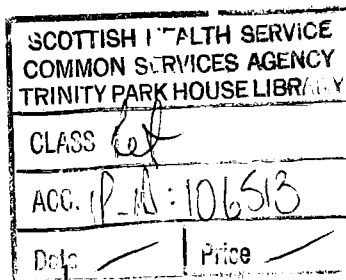
For information:

Chief Executives, NHS Trusts

Chief Executive, NBS

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Pay Budget

5. Health Boards and Trusts are reminded that for 1999/2000 the size of the pay bill for general and senior managers should not increase by more than 4.3% compared with 1998/99.

Role and Responsibility of Remuneration Committees

6. Remuneration committees are reminded of the need for their decisions to be soundly based, and to ensure they have in place robust job evaluation and performance management systems. Remuneration committees must also notify the Management Executive in advance of proposed changes planned for executive remuneration and to adhere strictly to the guidance in Annex B of MEL(1997)75. A variation order from the Management Executive will be required for any payments which fall outwith the guidance contained in this and previous MELs.

7. Remuneration committees are also reminded that in accordance with normal audit requirements that they must submit pay arrangements to the external auditors for scrutiny.

Revised Management Pay Proposals

8. Revised arrangements for executive remuneration, which will be in line with Agenda for Change – Modernising Pay, are in the process of being determined for general and senior managers and are due to come into full effect on 1 April 2000. The revised arrangements will result in a reduction in the cohort of managers eligible for entry to the new pay system to include only those posts at or above 614 Hay job units where, in NHS Trusts,

- the performance of the post can be seen to bear directly on the overall performance of the Trust

and in Health Boards

- the post is graded General Manager or Executive Director or is a “direct report” senior management post of 614 job units or over.

9. To assist the Central Evaluation Committee (CEC) to identify those managers who will be part of the new cohort, Trusts and Health Boards have been asked to provide information in respect of all posts to be submitted for evaluation in accordance with Gerry Marr’s letter to Chairs of Trusts and Health Boards of 5 July. The CEC will communicate the outcomes of its evaluation process to Trusts and Health Boards. Those managers who are ineligible for the new cohort will revert to Administrative & Clerical (A&C) or other appropriate pay scales. Each stage of the process will be subject to audit.

10. Further information on the revised pay proposals and transition arrangements will be issued over the coming months.

Action

1. This letter should be copied to UGMs of the Island Boards.
2. Chairs and members of Remuneration Committees of Health Boards and Trusts are to be made fully aware of the provisions of this circular.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Marr', written in a cursive style.

GERRY MARR
Director of Human Resources

SCHEDULE 1

1. The ranges of pay set out in table D to the schedule to the General and Senior Managers' (Remuneration and Conditions of Service) Direction 1993 as substituted by article 3 of this direction shall apply from 1 September 1999 to staff of employing authorities provided that they shall not so apply to any extent to which a detriment might be sustained by such an employee by such an application. Any increase in annual salary of any employee to whom this direction applies, may be increased at the discretion of the employing authority by reference to the assessment by the employing authority as to the individual performance of the employee in the discharge of the employee's duties.
2. Where a performance related pay increase would have the effect of increasing the employee's annual salary to a rate above the maximum for the appropriate pay range, then the proportion of such pay increase which would take such pay above such maximum will be treated as a non-consolidated pay increase.
3. An employee shall not be entitled to reckon a non-consolidated increase or bonus as part of the annual rate of pay for the purposes of determination of any increase in pay in accordance with this direction in any subsequent year.
4. Non-consolidated bonuses may be paid to employees at any point on a grade scale applied by an employing authority as regulating pay within a pay range referable to a grade in terms of Schedule 2 to this direction.
5. Employing authorities in determining the rate of pay appropriate for a general or senior managers shall in assessing that rate of pay, take into account the value of aspects of pay and benefits to which the employee is entitled under the contract of employment.

SCHEDULE 2

PAY RANGES FROM 1 SEPTEMBER 1999

GRADE	JOB UNITS		PAY RANGES	
	Min	Max	Threshold	Max
0	269	313	14,411	19,263
1	314	370	15,953	21,325
2	371	438	18,063	24,146
3	439	518	20,631	27,579
4	519	613	23,600	31,548
5	614	734	27,723	37,061
6	735	879	31,896	42,638
7	880	1,055	38,033	50,842
8	1,056	1,260	44,938	60,073
9	1,261	1,507	51,010	68,189
10	1,508	1,800	57,822	77,294
11	1,801	2,140	64,874	86,721
12	2,141	2,550	75,640	101,116

**NATIONAL HEALTH SERVICE (SCOTLAND)
THE GENERAL AND SENIOR MANAGERS' (REMUNERATION AND CONDITIONS OF
SERVICE): DIRECTION 1999**

The Scottish Ministers in exercise of powers conferred on him by section 105(7) of, and paragraph 5 of Schedule 1 and paragraph 7 of Schedule 5 to the National Health Service (Scotland) Act 1978^(a) hereby give the following direction:-

1. This direction may be cited as The General and Senior Managers' (Remuneration and Conditions of Service) Direction 1999 and is given to Health Boards, the Common Services Agency, the State Hospital, the Health Education Board for Scotland, the Scottish Council for Post Graduate Medical and Dental Education, the Clinical Standards Board for Scotland and the Scottish Ambulance Service, hereinafter referred to as the "employing authorities".
2. With effect from the dates stated in the direction the provisions of this direction apply to general and senior managers of the employing authorities who are remunerated in accordance with the General and Senior Managers' (Remuneration and Conditions of Service) Direction 1993, provided that the direction shall not apply in relation to any such general or senior manager who exercised an option in accordance with article 2 of the General and Senior Managers' (Remuneration and Conditions of Service) Direction 1993 to be remunerated in accordance with the directions of 9 October 1986, 22 December 1987 and 10 March 1989, as amended.
3. The ranges of pay set out in Schedule 2 to the General and Senior Managers' (Remuneration and Conditions of Service) Direction 1998 are cancelled and replaced as from 1 September 1999 by the ranges of pay set out in Schedule 2 to this direction.

Signed by the authority of
the Scottish Ministers



ROBIN NAYSMITH
Assistant Director of Human Resources (Policy).
A member of the staff of the Scottish Executive.

St Andrew's House
EDINBURGH
14 September 1999

^(a) 1978 c.29; section 105(7) was amended by the Health Services Act 1980 (c.53) ("the 1980 Act"), Schedule 6, paragraph 5 and Schedule 7 and by the Health and Social Services and Social Security Adjudications Act 1983 (c.41), Schedule 9, paragraph 24; paragraph 5 of Schedule 1 was amended by the 1980 Act, Schedule 6, paragraph 7 of Schedule 5 was amended by the 1980 Act, Schedule 6, paragraph 8(3).

**Management Executive Letter No 68 Pay and Conditions
Of Service**

Please note that due to an error when printing Mel No. 68 Pay And Conditions Of Service, this should actually be no **69/1999**.

Please update your records accordingly.

