



# SCOTTISH EXECUTIVE

Health Workforce Directorate

Dear Colleague

## **PAY AND CONDITIONS OF SERVICE EXECUTIVE AND SENIOR MANAGEMENT PAY 2006/07**

### **Summary**

1. This letter announces the following amendments to the pay arrangements for those on the Executive and Senior Management pay arrangements introduced by [HDL\(2006\)23](#) and [HDL\(2006\)59](#):

1.1 Dissolution of the incremental spine points within each pay band.

1.2 An extension of 1.75% to the minimum and maximum of the pay ranges with effect from 1 October 2006.

1.3 Revised consolidated performance pay progression and non consolidated performance pay percentages.

2. The arrangements are mandatory for all staff in the Executive and Senior Management Cohorts in NHS Boards, NHS National Services Scotland, the State Hospital Board for Scotland, NHS Education for Scotland, NHS Quality Improvement for Scotland, NHS Health Education, NHS24, Scottish Ambulance Service and National Waiting Times Centre Board, hereinafter referred to as employing authorities.

### **Background**

3. Pay for the Executive and Senior Management Cohorts is determined by Scottish Executive public sector pay policy. Under the policy in force for 2006/07, the increase in the paybill resulting from the inflation uplift and progression within the pay ranges - consolidated and non-consolidated added together - must be contained within the pay envelope of 4.5%. This has made continuation of the current arrangements with fixed incremental points and uplifts for inflation, unsustainable both now and for the immediate future.

27 July 2007

### **Addressees**

#### For action

Chairs and Chief Executives of Health Boards, NHS National Services Scotland, State Hospital Board for Scotland, NHS Health Scotland, NHS Quality improvement Scotland, NHS 24, National Waiting Times Centre Board.

#### For information

Members of the NHSScotland Scottish Partnership Forum and Local Partnership Forums.

### **Enquiries to:**

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4. The revised arrangements retain provision for an inflation uplift, consolidated pay progression based on performance and non consolidated payments for those with superior or outstanding performance ratings with the value of each of these determined annually by Ministers in the light of prevailing public sector pay policy.

5. The changes made to comply with public sector pay policy in 2006/07 have been kept to a minimum to maintain the integrity of the former arrangements and protect, as far as possible, the real value of the minimum and maximum pay levels for each grade.

**Action**

6. Chairs and Chief Executives should ensure:

- the terms of the Direction in the Annex are actioned in their employing authority;
- that this letter is copied to their Local Partnership Forum for information.

Yours sincerely

A handwritten signature in black ink that reads "Paul Martin". The signature is written in a cursive style with a large initial 'P'.

**PAUL MARTIN**

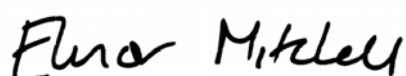
Chief Nursing Officer and Interim Director for Health Workforce

**DIRECTION FOR EXECUTIVE AND SENIOR MANAGEMENT GRADES TERMS AND CONDITIONS**

**NATIONAL HEALTH SERVICE (SCOTLAND)**

**EXECUTIVE AND SENIOR MANAGEMENT GRADES (REMUNERATION AND CONDITIONS OF SERVICE DIRECTION) 2007**

1. The Scottish Ministers in exercise of powers conferred on them by section 105(7) of, and paragraph 5 of Schedule 1, paragraph 7 of Schedule 5 and paragraph 6(1) of Schedule 7A to the National Health Service (Scotland) Act 1978 (as amended) hereby give the following direction.
2. This Direction may be cited as the “Executive and Senior Management Grades (Remuneration and Conditions of Service Direction) 2007”, and is given to Health Boards, NHS National Services Scotland, the State Hospital Board for Scotland, NHS Health Scotland, NHS Quality Improvement Scotland, Scottish Ambulance Service, NHS Education for Scotland, NHS 24 and National Waiting Times Centre Board, hereinafter referred to as “employing authorities”.
3. Employing authorities should apply the provisions detailed in Schedule 1 to this Direction.



**Elinor Mitchell**

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(A member of staff of Scottish Ministers)

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16 July 2007

## **SCHEDULE 1**

### **EXECUTIVE AND SENIOR MANAGEMENT COHORTS PAY ARRANGEMENTS 2006/07**

#### **Pay Ranges**

1. The system of a pay spine with fixed incremental points within the pay bands has ceased with effect from 30 September 2006.
2. For 2006/07 the pay bands have been replaced with pay ranges which are increased by 1.75% at the minimum and maximum with effect from 1 October 2006.
3. The pay ranges set out in Table 1 to this Direction replace the Revised Executive Pay Arrangements in Table 1 at Schedule 1 of Annex A to [HDL\(2006\)23](#) issued on 5 April 2006 and Senior Management Cohort Pay in Table 1 at Schedule 3 of Annex A to [HDL\(2006\)59](#) issued on 18 October 2006.

#### **Performance Pay**

4. Consolidated and non consolidated payments should be applied with effect from 1 October 2006 based on performance in the year 2005/06.

#### **Consolidated Performance Related Pay**

5. The appropriate consolidated percentage increases for individual managers based on their performance markings should be applied to their spine point salary at 30 September 2006 and added to that salary to give the manager's consolidated personal salary position within the pay range with effect from 1 October 2006 as follows:

<i>Unacceptable</i>	Nil
<i>Incomplete</i>	1.75%
<i>Fully Acceptable</i>	4.5%
<i>Superior</i>	4.5%
<i>Outstanding</i>	4.5%

6. No manager may receive more than the maximum consolidated salary for his or her pay range.
7. See paragraphs 12 and 13 for managers on protection.

## **Non Consolidated Performance Related Pay**

8. The appropriate non-consolidated payment for individual managers based on their performance markings should be calculated as a percentage of their spine point salary at 30 September 2006 and paid as a non consolidated payment with effect from 1 October 2006 as follows:

<i>Unacceptable</i>	Nil
<i>Incomplete</i>	Nil
<i>Fully Acceptable</i>	Nil
<i>Superior</i>	2.75%
<i>Outstanding</i>	5.5%

9. Non consolidated performance payments are payable to all managers including those at the maximum of their pay range and those on protection.

## **Transfer Points**

10. The bottom two spine points in each pay band were created to enable managers to slide across from the old to the new pay arrangements. An undertaking was given at the time to remove both transfer points after two years of operation. However, the removal of fixed incremental points now makes retention of the transfer points unnecessary. Managers on either of the bottom two transfer points for their grade should move to their new consolidated salary in accordance with paragraph 5 above, which in some cases, may be below the minimum of the pay range for their grade.

## **Promotion**

11. Managers who are promoted to or act up to a post on a higher grade (as evaluated by NEC) will move to the 'minimum of the range for the new grade or receive an increase of 4% in their consolidated pay if greater.

## **Managers on Protection**

12. Managers on personal protection who are at their maximum personal spine point are eligible for the inflation uplift only from 1 October 2006, unless their performance is rated 'unacceptable' in which case they receive no increase.

13. Managers on personal protection who were not at their maximum personal spine point should have the value of their maximum personal spine points increased by 1.75% with effect from 1 October 2006 to provide the revised personal salary to which they can progress by means of consolidated performance pay.

## **New Appointments**

14. The placement of new appointments within pay ranges should be in the lower half of the pay range. Any placement of a new appointment in the upper half of a pay range must have the approval of the Remuneration Committee; this should be the exception rather than the norm and the reasons for it fully evidenced.

**EXECUTIVE AND SENIOR MANAGEMENT COHORTS –  
PAY BANDS FROM 1 OCTOBER 2006: TABLE 1**

<b>Grade</b>	<b>Pay Range Minimum</b>	<b>Pay Range Maximum</b>
A	£40,213	£54,806
B	£46,145	£62,891
C	£52,953	£72,168
D	£60,764	£82,815
E	£69,728	£95,032
F	£80,014	£109,052
G	£91,818	£125,139
H	£105,364	£143,600
I	£120,907	£164,784