

Scottish Government submission of 26 February 2024

PE2068/A: Review and cap public sector senior management salaries

The petitioner asks the Scottish Government to review and cap public sector senior management salaries. The following information may be helpful to inform the Committee's consideration of PE2068.

The pay of a small portion of the public sector within Scotland is reserved to the UK Government, for example pay for employees of the Department for Work and Pensions, or HM Revenues and Customs. Pay for the Senior Civil Service is also reserved.

Where pay is devolved to the Scottish Government, there are a number of workforce based pay setting arrangements in place.

The Public Sector Pay Strategy applies to core Scottish Government and 70 public bodies including non-departmental public bodies, public corporations and agencies. This includes a section which covers non-Senior Civil Service Chief Executives such as SEPA and Scottish Water, and NHS Executive and Senior Management posts.

The Public Sector Pay Strategy also acts as a reference point for all major public sector workforce groups across Scotland including NHS Scotland, firefighters and police officers, teachers, and further education workers. For local government employees, pay and other employment matters are delegated to local authorities.

Pay restraint for the highest paid, and targeted uplifts for the lowest paid have been central tenets of the Scottish Government's approach to pay for many years. These have been achieved in recent years through progressive pay awards that have capped uplifts above higher thresholds of £80,000, and most recently capping Chief Executive's annual uplifts at the same cash amount as the lowest paid. Ministers' approach to pay has included the expectation that the remuneration of a new appointment will be at least ten per cent lower than that of the outgoing Chief Executive.

An internal review of the Chief Executive Framework, within the Public Sector Pay Strategy, is currently being undertaken. The review will

conclude in Spring 2024 and it is expected the report and recommendations will then be submitted to Ministers. Once any recommendations are agreed and approved by Scottish Ministers, any required changes to the Chief Executive Framework will be made.

As already noted pay restraints for the highest paid particularly in Executive and Senior Managers (ESM) across NHS Scotland is already in place. This is evident particularly in comparison to NHS England executive's salaries.

In regard to medical and patient facing staff across the NHS it is essential that NHS Scotland provides the ability to earn comparable salaries to the rest of the global market. NHS Scotland must be seen as an attractive place of work to ensure the attract the best staff so supply meets demand.

Teachers' pay negotiations are a matter for the Scottish Negotiating Committee for Teachers (SNCT), a tripartite body comprising membership from Local Government, Teacher organisations and Scottish Government. The last 28 month pay deal reflected the wider Scottish Government Pay strategy as outlined above whereby pay awards were capped above £80,000.

Scotland's colleges are responsible for their own operational decisions on matters such as pay, therefore they set their own rates of pay for their senior management team from their own budgets.

Local Government pay negotiations are a matter for councils as the employer, represented by the Convention of Scottish Local Authorities (COSLA), and trade unions, representing the workforce. The Scottish Government and COSLA have committed to respect this arrangement as part of the Verity House Agreement.

Public Sector Pay Policy Team