



THE SCOTTISH OFFICE

Department of Health

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Common Services Agency
NHS in Scotland
Trinity Park House
South Trinity Road
Edinburgh EH5 3SQ

NHS
MEL(1998)71

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

6th November 1998

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 and SCPMDE for whom the arrangements are mandatory with effect from 1 September 1998. Trusts are expected to follow the arrangements closely.

Pay Ranges

2. For 1998/99 pay ranges will be extended by raising scale minima and maxima by 3.7% from 1 September 1998. A Direction is attached as an Annex to this MEL. Schedule 2 of the Annex provides new pay ranges effective from 1 September 1998 and replaces Table B of MEL(1997)75 dated 10 November 1997.

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 entitlement to an increase in pay. Progression through the pay ranges is based wholly on performance. Health Boards and Trusts are reminded that for 1998/99 the in-year pay costs of general and senior managers should not increase by more than 2.7% compared with 1997/98. The award may however be staged in line with other health service workers.

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

For information:

Chief Executives, NHS Trusts

Chief Executive, NBS

Enquiries to:

W G Welsh
Directorate of Human Resources
NHS Management Executive
Room 61A
St Andrew's House
EDINBURGH EH1 3DG

Tel: 0131-244 2492
Fax: 0131-244 2837

Pay Budget

5. The budget determined by remuneration committees for general and senior managers pay should be in line with pay awards for other staff groups employed in the health service. Chairmen may be called upon to justify their decisions on remuneration.

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.

Action

8. This letter should be copied to UGMs of the Island Boards.

9. 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



ROBIN NAYSMITH
Assistant Director of Human Resources (Policy)



**NATIONAL HEALTH SERVICE (SCOTLAND)
THE GENERAL AND SENIOR MANAGERS' (REMUNERATION AND CONDITIONS OF
SERVICE): DIRECTION 1998**

The Secretary of State 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 gives the following direction:-

1. This direction may be cited as The General and Senior Managers' (Remuneration and Conditions of Service) Direction 1998 and is given to Health Boards, the Common Services Agency, the State Hospital, the Health Education Board for Scotland and the Scottish Council for Post Graduate Medical and Dental Education, 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 Table A and B of schedule 2 to the General and Senior Managers' (Remuneration and Conditions of Service) Direction 1997 are cancelled and replaced as from 1 September 1998 by the ranges of pay set out in schedule 2 to this direction.

Signed by the authority of the
Secretary of State for Scotland

ROBIN NAYSMITH
Assistant Director of Human Resources (Policy)

St Andrew's House
EDINBURGH
November 1998

^(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).

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 1998 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. The employing authorities shall not be entitled to award any increase in salary in respect of such performance in excess of an amount equivalent to 10% of the employee's contractual annual rate of salary during the calendar year in which the employee's performance for such an award is being considered.
3. Where a performance related pay increase referred to in paragraph 2 above 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.
4. 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.
5. 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.
6. 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 1998

GRADE	JOB UNITS		PAY RANGES	
	Min	Max	Threshold	Max
0	269	313	14,018	18,738
1	314	370	15,518	20,744
2	371	438	17,571	23,488
3	439	518	20,069	26,828
4	519	613	22,957	30,689
5	614	734	26,968	36,052
6	735	879	31,027	41,477
7	880	1,055	36,997	49,457
8	1,056	1,260	43,714	58,437
9	1,261	1,507	49,621	66,332
10	1,508	1,800	56,247	75,189
11	1,801	2,140	63,107	84,359
12	2,141	2,550	73,580	98,362