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In 2014 Scotland Welcomes the World



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*Dear Jerry*

This letter sets out the remit which the Scottish Government would wish the NHS Pay Review Body to work within in recommending pay for Agenda for Change staff employed by NHSScotland in 2015-16.

I note the information in Chief Secretary to the Treasury Danny Alexander's letter of 31 July to the NHS Pay Review Body which confirms that the Pay Review Body will not be asked to make recommendations on pay for England in 2015-16. However, the Scottish Government feels strongly that the process of information gathering and independent scrutiny which the Review Body provides is extremely valuable, even at times when public spending is tightly constrained by the policies in place.

As you will be aware, the Scottish Government's Public Sector Pay Policy announced in September 2013 set out the pay policy for both 2014-15 and 2015-16.

The features of particular relevance to the NHS Pay Review Body process are:

- provision for an increase in basic pay for all staff. This increase is subject to an overall cost cap of 1%, although there is no assumption that this will equate to a 1% uplift for individual members of staff. The cost cap does not include pay progression or measures put in place for staff earning under £21,000.
- a minimum increase of £300 for staff earning less than £21,000.
- ensuring all staff earn above the Living Wage, which is currently £7.65 per hour. The rate for 2015 -16 will be announced during Living Wage Week 2014 (2-8 November 2014).

A copy of that policy is included for ease of reference. It applies directly to the list of organisations at Annex A and is intended to inform considerations around pay for other public sector groups, including NHSScotland staff.

Whilst I fully appreciate the limitations that our Pay Policy places on the Review Body, I hope that you will examine the evidence and reach conclusions within those parameters.



**ALEX NEIL**