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*In 2014 Scotland Welcomes the
World*



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Dear Paul

Last year the Scottish Government's remit letter made reference to its Public Sector Pay Policy for 2014-15 which was announced by the Cabinet Secretary for Finance, Employment and Sustainable Growth on 11 September 2013. The policy is still current – extending into 2015-16 and is intended to inform considerations around pay for public sector groups in Scotland including NHSScotland staff.

The main feature of Scotland's Public Sector Pay Policy which is of particular relevance to the DDRB Pay Review Body process is the 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. The cost cap does not include pay progression.

Beyond the parameters set out above, we would again wish the Pay Review Body to be as free as possible in considering the issues and making recommendations for Scotland in 2015-16. You will appreciate, however, that all consideration on this issue must be informed by the policy framework which we have set for public sector pay in Scotland. It is also important to take into account the considerable on-going financial challenges facing NHSScotland at the present time and that any pay increase has to be affordable.

The Scottish Government's position is in complete contrast to the policies set out in the letter of 31 July to the OME from the Chief Secretary to the Treasury, Danny

Alexander, and the further letter of 26 August from Dr Dan Poulter, Parliamentary Under Secretary of State for Health, which signalled that following on from the UK Government's announcement of a 2 year pay settlement for employed doctors and dentists in England, they would not require the DDRB to report or make recommendations or observations for the 2015-16 year on remuneration, recruitment and regional variations in labour markets for this group of staff. The Scottish Government's preference at this time would be to maintain one unified pay system which will cover the whole of the UK. I recognise that this may present challenges for the Review Body in putting forward recommendations and that England's application of the pay deal in 2014-15 will have already seen the widening of the pay differentials between our countries.

The Scottish Government would like to invite DDRB to make a recommendation on an uplift for item-of-service fees for independent dentists providing general dental services for 2015-16. As you will be aware the Scottish Government accepted the DDRB recommendation in full for 2014-15, and notwithstanding the difficulties concerning earnings and expenses, view any future recommendation as a sensible frame of reference.

For General Practitioners we again seek the DDRB's recommendation in respect of GP pay and contractual uplift. The Scottish Government is committed to increasing its investment in general practice and the DDRB's recommendation is a helpful factor in that decision-making process.

The Scottish Government also invites the DDRB to give due consideration to the remuneration received by Directors of Postgraduate General Practice Education in relation to levels of pay and remuneration packages of equivalents in the private sector and comparator groups.

Finally, let me take this opportunity to thank the members of the Review Body for their work and assure you that the Scottish Government continues to greatly value the independent voice which the Review Body offers on doctors' and dentists' pay.

Copies of this letter have been sent to the Secretary of State for Health and the respective Ministers in the devolved administrations as well as representatives of the Staff Side and NHS employers.



ALEX NEIL