Chief Executive Framework Review

Pay Implementation and Governance Team

October 2024

Scottish Government
Riaghaltas na h-Alba

Chief Executive Framework Review

August 2024

Table of Contents

Executive Summary

1. Pay restraint for the highest earners has been a central tenet of successive pay policies for many years. To restrain pay for the highest paid, and improve pay inequality, various levers, such as capped annual uplifts, capped pay progression and removal of bonuses, have been added to the policy. These levers are detailed in the Chief Executive (CE) Framework of the Public Sector Pay Policy (PSPP). With the exception of annual uplifts in line with the pay policy, the CE Framework has remained largely unchanged for many years.

2. At the 2023-24 Scottish Budget, it was announced that a review of the CE Framework would be undertaken in 2023-24. The Public Sector Pay team have completed this review and will communicate any changes to through a revised published Chief Executive Framework. The review has identified that, although the overall aim of pay restraint for higher paid has been achieved, a number of recommendations and improvements can be made to modernise the Framework.

3. While levers of pay restraint have added to the CE Framework, this review considers the levers collectively for the first time and provides an opportunity to assess their effectiveness and whether they are still required. Whilst pay restraint for higher paid employees aligns with Ministers progressive approach to pay and has been a policy aim for many years, the degree to which it is currently implemented is being increasingly challenged by stakeholders including CEs, chairs of public bodies and remuneration committees.

4. The review confirms that the overall aim of pay restraint for higher paid, and specifically pay restraint for CEs has been achieved. Over successive years CE bonuses have been suspended and now removed from contracts, notice periods have been reduced, salary ranges have been dropped and progression steps capped at 1.5% per annum. Annual uplifts have also been restrained for higher earners and in some years restrained even further for CEs. This has provided savings to the public purse.

5. Most of these levers were implemented without review periods or methods of futureproofing. Evidence demonstrates that we are approaching, or in some cases have reached, a tipping point. Successive policy decisions have had the unintended consequence of eroding pay differentials, increasing risks to succession planning, and reducing Scotland’s ability to recruit and retain the best people to lead public bodies to deliver the Governments priorities.

6. The recent divergence between senior staff, senior civil service (SCS) and CE pay awards, and an increase in Remuneration Group and Ministerial submissions relating to CE remuneration, has further highlighted a broader need to review the pay restraint of CE whose pay arrangements are set through Scottish Ministers Public Sector Pay Policy and the CE Framework.

7. The overall recommendation is to continue with, but loosen, pay restraint of CE salaries. The review covered many aspects of pay restraint included in the CE Framework and makes a number of recommendations, including administrative recommendations and summarises elements where no change is required.

8. Recommendations include;

- that annual uplifts should be set giving closer consideration to senior staff and SCS pay uplifts,
- that pay restraint is widened to cover all higher paid employees rather than a role delineation, for example through a threshold based on salary,
- that the requirement for a ten percent reduction of CEs remuneration package on recruitment is brought more in line with staff pay, with an expectation that new appointments start at the bottom of the salary range,
- that all CE roles are reviewed and go through a job evaluation at least once every five to seven years,
- that the CE framework pay bands be updated to better reflect the current landscape of CEs,
- that the Remuneration Group be designated additional delegated authority to consider and approve individual submissions seeking to address evidenced unintended pay differential issues, and
- retain a cap on pay progression for CEs but increase from the current maximum of 1.5% to a new maximum of 2.5%. This would allow for some meaningful movement through pay ranges.

9. An administrative change to the Public Sector Pay Policy technical guide is recommended to provide more detail and greater clarity on the punitive measures following non-observance of the framework

10. The scope of the review included a number of elements where no change is proposed including:

- that there is no introduction of a set pay ratio between CE pay and average salary of an organisation,
- that the current method of pay band determination is continued,
- that Health colleagues are best placed to decide when or if to review the inclusion of NHS ESM in the CE Framework.

Scope

11. In 2023, the Scottish Government Remuneration Group agreed the scope of the CE framework review. The scope was to review:

- basic pay and progression increases,
- the need for a 10 percent reduction in salary of new CEs,
- the bands within the CE Framework,
- consequences of deviation from the pay strategy.
- a pay ratio between the CE and the median salary of the public body being no more than 10:1,
- comparison with Senior Civil Service, and
- the overall interplay between CEs and senior high salary employees.

12. Remuneration Group agreed that a number of elements were out of scope of the CE framework review as they work well in practice and no issues or concerns have been raised in relation to these elements. These include:

- pension arrangements for CEs,
- life insurance and other health benefits
- relocation expenses
- non-salary rewards
- approval process for CE remuneration
- operation of the CE framework

Landscape

13. CEs of Scottish Non-Departmental Public Bodies (NDPBs) are tasked with advancing Ministers' priorities, providing top class leadership for public bodies, and improving public services in Scotland all through difficult economic circumstances. CE roles come with a high level of public, media and parliamentary scrutiny. Ministers' priorities include protecting communities through high quality public services, they regularly reflect how important it is to have the right people in senior jobs to drive delivery of these services.

14. CE roles come with the highest of responsibilities which are continuing to grow, particularly around public sector reform and workforce changes, with ongoing financial challenges. CE's are usually the Accountable Officers, personably answerable to parliament in relation to the propriety and regularity of the finances for their organisations. They are required to achieve public service reform with a focus on improving outcomes for people, places, and communities across Scotland. With that comes the need for experienced high calibre leaders, with strong strategic and operational skills.

15. In order to have world class cultural institutions we need to ensure that pay is not a barrier and care has to be exercised to ensure that pay rates reflect the required skills and experience, and higher risks and exposure, for the role.

16. CEs across the Scottish Public Sector landscape are covered by a number of differing pay arrangements including the Senior Civil Service pay arrangements which are set by the UK Government. The CE Framework covered by this review applies to a small cohort of around 43 Non-Departmental Public Body (NDPB) CEs.

17. The other NDPB CEs, around 30 including 14 within Scottish Government Main, are covered by SCS pay arrangements. Deputy Directors, Directors, Directors General and the Permanent Secretary within Scottish Government are covered by SCS pay arrangements.

Stakeholder Engagement

18. Two main stakeholder groups are directly impacted by the CE Framework within the Public Sector Pay Strategy - the circa 43 CEs whose remuneration is determined by the policy, and the remuneration committees or Chairs of public bodies who must follow the policy in setting and reviewing CE remuneration.

19. These two stakeholder groups were invited to a roundtable discussion, and to complete an anonymised survey to obtain their feedback on the policy aims, various levers of restraint, and impact of the policy. Their feedback is contained throughout this report.

Comparisons of Annual Uplifts

20. Annual uplifts from 2018 to 2023 were considered for CEs covered by the CE framework in the public sector pay policy, senior staff covered by the public sector pay policy for staff, and Senior Civil Service reserved to UK and covered by the Senior Salaries Review Body. The table below details the comparison of both monetary and percentage increases from 2018 to 2023 for CEs and staff under pay policy, and SCS. Those earning under £80,000 will have received slightly less than this.

Cohort	£ increase since 2018	% increase since 2018
PSPP CE (£80k+)	£6,400	8.0%
PSPP Staff (£80k+)	£10,800	13.5%
SCS (Average min increase, not including bonuses)	£9,000	10.4%

21. A threshold in both staff and CE PSPP maintained a steady differential between these cohorts until April 2022. However, since then a divergence in awards has occurred with the higher earning threshold removed for staff in response to TU feedback, but restrictive annual uplifts maintained for CEs.

22. This divergence in awards led to a severe shortening of the differential between these grades, and in some cases the senior staff pay is now overtaking the CE pay.

23. As earlier pay policies have shown that while any threshold or cap will eventually lead to pay grades either side of the threshold or cap becoming too close to one another, treating all employees above a certain salary, regardless of title, does maintain the pay differentials between senior staff and CEs.

24. The UK Government have a Senior Civil Service (SCS) pay framework that is broadly similar in range values to the CE Framework. Over the last five years the minimum of each of the ranges has increased on average around 10.4% or £9,000. The maximums of the ranges have not changed.

25. Members of the SCS in the UK are able to receive bonuses in certain circumstances. Scottish Government policy is that SCS do not receive bonuses. To make comparisons solely on the changes to the framework does not take into consideration the impact of additional payments to individuals take home pay. Without comprehensive personal salary and bonus information we cannot make a more accurate comparison.

26. Where the UK pay procedure differs from Scotland, is the level of approval needed is increased with set salary or job title thresholds. As Scotland has a much more transparent and defined policy, approval is determined by adherence to the policy, rather than salary or job title thresholds.

27. Stakeholders highlighted that the impact of CEO pay being targeted rather than all senior pay has resulted in perverse outcomes, with significant compression of salaries at most senior levels and some instances of leapfrogging. They fed back that targeting of pay restraint solely on CEs under the CE Framework seemed arbitrary, unfair and too narrowly focused.

28. In the last two years, pay differentials between CEs and their senior staff have significantly reduced due to the application of different pay metrics in line with Public Sector Pay Policy. Increases within SCS pay

ranges have further highlighted a disparity in annual uplifts for CEs. To address differential issues and to be cognisant of issues of fairness and parity, it is recommended that future public sector pay policies should look to maintain a closer relationship between senior staff pay and CE pay annual uplifts.

29. The Remuneration Group has seen an increase in submissions for CE salary reviews, seeking higher uplifts to address diminishing pay differentials or with an equity and fairness argument. The Remuneration Group are unable to approve these corrective uplifts as they go beyond annual pay policy limits. Ministers have approved some submissions relating to the erosion of the differential where the Remuneration Group could not.

30. This issue could be addressed with the delegation of authority to the Remuneration Group to consider and approve corrective measures beyond annual pay limits in the narrow circumstance of clearly evidenced significant erosion of pay differentials.

Recommendation 1a: To preserve and maintain current pay differentials it is recommended that there is a closer relationship between CE pay and senior staff pay for annual uplifts in future public sector pay policies. Examples of how this could be achieved include reintroducing a threshold for all staff, including CEs, above a set salary level, or alternatively to have CE pay increases match staff pay increases.

Recommendation 1b: Recommend that longer term comparisons and trends between previous years SCS, senior staff and CE uplifts be a factor in determining the uplift for 2024-25 and beyond.

Recommendation 1c: To delegate authority to the Remuneration Group to consider and approve corrective measures beyond annual pay limits in the narrow circumstance of clearly evidenced significant erosion of pay differentials.

Pay Ratios

31. While there is no current commitment on pay ratios, a key objective of the 2023-24 Public Sector Pay Strategy, and previous pay policies, is the expectation for progressive pay awards. Pay awards are expected to target lower earners while restraining increases for higher earners to address pay erosion for those facing the greatest detriment and to continue to help work towards reducing overall income inequality.

32. Pay ratios are not a perfect measure and should not be used alone. They can be significantly affected by the workforce profile of a public body, and additionally they do not cover outliers where market rates are a barrier to effective recruitment. Of the 71 public bodies directly subject to Ministers Pay Strategy, there is only one that exceeds the 10:1 ratio and this is Scottish Water (at 14:1).

Recommendation 2: Pay Ratios: No recommendation to adhere to a set ratio. The pay ratio between the CE and the median staff salary should not be a determining factor in setting salaries, however the ratio should be acknowledged when reviewing the CE salary.

Ten Percent Reduction

33. Another lever of pay restraint in the CE Framework is an expectation for a reduction of ten percent of the overall remuneration package when replacing a CE. This has often partially been achieved by recruiting at the bottom of the existing salary range, removing bonuses, or removing other non-pay benefits.

34. Over the last 5 years (from 2019 to date) the policy expectation to apply a 10% reduction on outgoing Chief Executive remuneration packages has delivered an estimated saving of at least £325,000 to the public purse. The cumulative saving over the last 5 years is higher than £325,000 as the saving for each post is recurring year on year, although the amount may diminish each year as the new incumbents progress up their pay ranges.

35. Over time, bonuses have been removed and are no longer a factor for the reduction. Similarly due to constrained pay progression and annual uplifts, moving new CEs to the bottom of the existing salary range may not achieve a 10 percent reduction. Many of the recent cases where 10 percent has been achieved has been through reduction of notice periods.

36. There has been a significant increase in submissions to the Remuneration Group over the last year seeking to waive the reduction and to go further by increasing the salary range. This has been due to numerous factors, of which pay restraint is one. There have also been some localised or sector specific issues, and there is often an element of market rates comparison.

37. A requirement of a ten percent reduction was useful for constraining senior pay in times where bonuses were included. Given that the pay differentials between senior staff and CEs have reduced and, in some cases, eroded entirely, this requirement is now seen as a blunt tool and a barrier to effective recruitment. This could be pivoted to state the expectation that

CEs should be recruited at the bottom of a salary range except in exceptional circumstances, as is the case for other less senior staff. The Remuneration Group could be a governance route for this.

38. Although the technical guide encourages regular reviews of CE remuneration packages, it does not specify a recommended timescale. The vast majority of reviews only occur when a new CE is being recruited and there are around 20 CE salaries that have not had job evaluations for a decade or more.

39. To ensure that salaries continue to be appropriate, a specified time limit between regular reviews should be set to bring some stability to the pay range and ensure a range is connected to the role and not a person being recruited. It would be appropriate to obtain a job evaluation and conduct a review for CE roles every five to seven years. The recommended timeframe would not preclude organisations from reviewing CE salaries if there is a need to do so such as recruitment of a new CE or significant changes to the role or responsibilities of the organisation.

Recommendation 3a: CE roles should undergo a job evaluation and full review at least once every five to seven years or sooner if there has been a significant change to the role/responsibilities of the body.

Recommendation 3b: That the requirement for a ten percent reduction is removed and instead there is an expectation that new CEs are recruited to the bottom of salary ranges, except in exceptional circumstances requiring additional approval.

Pay Progression increases

40. The existing CE Framework caps progression for CEs at a maximum of 1.5% per year. The CE Framework does not dictate any progression limits for staff, including senior staff. As an example, the average progression increase for staff in Scottish Government is around 4%. Under the UK Guidance, SCS members do not have access to progression and are paid the rate for the job from the start.

41. Pay ranges for staff pay, including senior staff, have set journey times and progression steps ensuring they reach the maximum of the pay range within a specified time period. This is not the case with all CEs and some who have been in post for many years are still not at the maximum of their pay range.

42. Stakeholders were concerned that in combination with the 10% reduction, the 1.5% cap on progression meant that a new CEO would likely never reach the same salary level as their predecessor, despite in many cases job complexities and demands increasing rather than reducing.

43. This is an area where pay restraint for CEs could continue, albeit in a more considered way.

Recommendation 4: That the cap on pay progression for CEs is continued but increased from a maximum of 1.5% to at a maximum of 2.5%.

Chief Executive Framework Bands

44. The CE framework has four bands, which have minimum, maximum, and ceiling amounts, which are annually uplifted in line with the CE pay policy for that year. The job evaluation score of the CE determines which pay band applies to their pay range. Pay ranges are expected to be within the minimum and maximum of the pay band. In exceptional circumstances, and only where supported by a robust business case, a pay range may exceed the maximum and be no more than the ceiling.

Chief Executive Framework 2023-24

Pay Band	Minimum	Maximum	Ceiling
3	£113,621	£153,684	£224,550
2	£94,266	£132,872	£177,098
1A	£78,137	£112,152	£142,134
1	£67,550	£101,654	£130,531

45. The SCS framework also has four[1] pay bands of broadly similar values to the CE framework, though it only has a minimum and a maximum. Over recent years the UK Government have only uplifted the minimum values, causing a narrowing of the bands.

SCS Pay Ranges from 1 April 2023

Pay Band	Minimum	Maximum
3	£127,000	£208,100
2	£97,000	£162,500
1A	*£75,000*	*£128,900*[1]
1	£75,000	£117,800

46. There are a number of CEs whose salary or pay ranges are above the maximum of their pay band, and in some cases above the ceiling. Additionally, the senior staff salaries have greatly increased in the last two

[1] SCS1A is a legacy band and has not been used for new posts since 2013

years in particular, and the maximum of these pay ranges is leapfrogging the lowest CE ranges. The table details the pay scales for C band staff within Scottish Government.

Scottish Government Main pay scales 2023-24

Pay step	Max-3	Max-2	Max-1	Max
C1	£56,020	£58,708	£62,969	£69,846
C2	£72,310	£74,824	£78,073	£83,460
C3		£83,725	£84,670	£84,858

47. The top of C1 range is now above the minimum of CE Band 1, suggesting that the pay bands are starting to get stretched, the boundaries may no longer be fit for purpose, and harmonisation with the current CE landscape is needed.

48. Below is a proposal for new CE Framework pay bands which would continue to be uplifted in line with annual uplift amounts (2024-25 annual uplift is not included). This revised framework would bring the following changes;

- Reassign any CEs in pay band 1A to either pay band 1 or 2 in line with their job evaluation scores and current salaries, and remove pay band 1A.
- Sets the minimum of Band 1 at or around the maximum of the C2 senior staff pay range.
- Brings most CEs back under the maximum of their respective Bands.
- Continues to be broadly in line with the SCS framework.

Proposed Chief Executive Framework (2023-24 equivalent)

Pay Band	Minimum	Maximum	Ceiling
3	£130,000	£180,000	£240,000
2	£100,000	£140,000	£170,000
1	£85,000	£115,000	£140,000

49. The policy position on expectations around CE pay ranges being set below the maximum of the relevant Band would continue. These changes would not impact any current CE salary ranges. If changes to salary ranges were sought, they would progress through the defined approvals processes.

50. Stakeholders were concerned that the framework is in need of a reset, as its application over time, particularly in sectors with higher CE turnover has led to roles getting significantly out of kilter.

Recommendation 5: That the CE framework pay bands be refreshed as proposed to better reflect the current CE landscape, whilst still maintaining broad comparison with the SCS framework.

Determination of Chief Executive Bands

51. In line with processes set out in the technical guide, determination of a suitable CE pay band in the CE Pay Framework first needs to establish the job weight of the post. A formal job evaluation of the role and responsibilities of the post should be undertaken, and the evaluation score will inform which Pay Band within the Framework the post might sit.

52. From there, a salary range can be determined by considering the job evaluation score in conjunction with comparisons with other public sector CE salary ranges. The review confirms that this remains proportionate. Recommendation is no change to this aspect.

53. The determination of the pay band uses an objective measure, and the setting of a salary range within that band uses both objective and subjective methods. In recent years there have been no submissions arguing for a change in pay band, which would suggest the current assignation method is proportionate and still fit for purpose.

Recommendation 6: The current method of pay band determination is still fit for purpose and no changes are recommended.

Punitive Action

54. The Public Sector Pay Policy Technical Guide states that if any payments are made without approval, this could result in punitive action being taken, such as the recovery of any overpayments, the capping of future increases or a governance review of the public body. Retrospective recovery of salary overpayments would be difficult if there had been updates to employment contracts.

55. The UK guidance states that any breach of the control process may result in a deduction from the departmental budget or an increase in spending controls, with financial sanctions at the discretion of the Chief Secretary to the Treasury (CST). Sanctions are set at a maximum of five times the remuneration package of the individual(s) in question and that departments may have their annual reports and accounts qualified by the National Audit Office. The UK guidance is also explicit that ignorance of the rules will not constitute a mitigating factor in the event of a breach.

56. The application of financial sanctions would prove to be circular in Scotland. Removing money from public bodies, or portfolios, due to unapproved increases to a CE would ultimately affect staff and services, either through reduced budget to fund pay awards, or reduction in staff numbers due to reduction of budget.

57. The prospect of facing a governance review and the potential to be brought in front of the Remuneration Group or a parliamentary committee to explain unapproved pay decisions has been effective in encouraging public bodies to follow pay policy and approval routes.

Recommendation 7: Punitive Action: The technical guide section on punitive action should be updated to provide more detail and greater clarity on the measures that could be put in place following deviation from the policy.

NHS Executives

58. The NHS Executives and Senior Managers (ESM) are adjacent to CEs in the Pay Policy, unlike NHS staff who have a number of other pay setting arrangements and are not covered by the Public Sector Pay Policy. This appears to have been the case for many years, and the historical reasoning for their inclusion in the Pay Policy is not apparent.

59. Decisions on whether the NHS ESM should be included in further CE Frameworks and associated policies on pay will require significant evidence gathering, analysis and close working with health officials and possibly Health Trade Unions. This could also impact the other pay arrangements in place for other NHS staff. As this is a standalone issue it is recommended that Health portfolio decide if and when this project should be commissioned and given the time and consideration it will require, separately from this review.

Recommendation 8: NHS Executives – Health portfolio to decide on timing of a review of NHS ESM pay arrangements

Stakeholder Feedback

60. Through the survey and roundtable discussion both CEs and Chairs provided specific feedback on elements of restraint, but also provided some general feedback on the policy aims, and the methods of achieving these aims.

61. Stakeholders had a recognition of the need for continued public sector pay restraint, and they noted that until recently this was built into the pay policy. There was fairly broad agreement that progressive principle requires senior pay to be more restrained than the lower paid. Significant concern was raised that CE pay has been singled out instead of senior pay as a whole, and it was noted that this was despite the impact of CE pay on wider public sector pay bill being very small.

62. Stakeholders discussed their concern that pay restraint levers that were introduced as one off or short-term interventions to address specific pay issues have a very different and unintended impact if retained and repeated over a significant period. They noted the issue of restraint seemed to reflect a previous era where there were bonuses were in place and increases were beyond what was justifiable, but that some moderate progression now seems reasonable.

63. Respondents noted the varied pension landscape for CEs, that CEs are not unionised, and there is a sense that they have no opportunity to negotiate their pay. Stakeholders were concerned that the combination of many pay restraint levers suggests that the contribution CEOs make to the delivery of public outcomes is not valued.

64. Ultimately CEs highlighted that while pay is not usually the final defining reason for taking on a CEO post, and they broadly agree with a progressive pay principle, this should not be at the expense of parity and fairness. This is both within the sector and also in terms of responsibilities they have when compared to what others do at the same level across all sectors.

Risks

65. The policy aim of pay restraint for the higher paid should continue to be upheld, and is still broadly supported by stakeholders, but the methods and extent of the restraint need addressing. The current high volumes of Remuneration Group and Ministerial submissions seeking reviews of CE salaries highlights that there is an active problem with the CE framework, and its interplay with senior staff pay, and comparison with SCS pay.

66. Continuation of the current level of pay restraint risks the ability of public bodies to attract talent into the public sector in Scotland. The current policies, particularly the requirement of a ten percent reduction on recruitment are at risk of deterring both internal and external candidates.

67. The overwhelming majority of both CEs and Chairs expressed their dissatisfaction with the current framework and associated levers of pay restraint. However, a removal of all pay restraint would not be in keeping with Ministers' progressive approach to pay.

Recommendations

68. In summary, over many years various levers of pay restraint have been placed on many elements of CE pay. Some of these levers were introduced to address specific issues, and others as ongoing restraint levers.

69. These elements of restraint alongside policy decisions have achieved their stated intention. They have restrained the pay of Chief Executives, removed bonuses, capped their progression, and achieved savings for the public purse. Whilst pay restraint for higher paid employees has been a policy aim for many years, the degree to which it is currently implemented is being increasingly challenged.

70. The recent divergence between senior staff, SCS and CE pay awards has further highlighted a broader need to moderate the pay restraint of CEs whose pay arrangements are set through Scottish Ministers Public Sector Pay Policy and the CE Framework.

71. Recommendations 1a, 1b, 1c, 3a, 3b, 4 and 5 provide options for policy adjustments and updates to the Chief Executive Framework.

72. Recommendation 7 is for administrative updates.

73. Recommendations 2, 6, and 8 are for no change to the current framework.

Recommendations	
1a	Annual Uplift - To preserve and maintain current pay differentials it is recommended that there is a closer relationship between CE pay and senior staff pay for annual uplifts in future public sector pay policies. Examples of how this could be achieved include reintroducing a threshold for all staff, including CEs, above a set salary level, or alternatively to have CE pay increases match staff pay increases.
1b	Annual Uplift - Recommend that longer term comparisons and trends between previous years SCS, senior staff and CE uplifts be a factor in determining the uplift for 2024-25 and beyond.
1c	Annual Uplift - To delegate authority to the Remuneration Group to consider and approve corrective measures beyond annual pay limits in the narrow circumstance of clearly evidenced significant erosion of pay differentials.
3a	Ten Percent Reduction - CE roles should undergo a job evaluation and full review at least once every five to seven years or sooner if there has been a significant change to the role/responsibilities of the body.
3b	Ten Percent Reduction - That the requirement for a ten percent reduction is removed and instead there is an expectation that CEs are recruited to the bottom of salary ranges, except in exceptional circumstances requiring additional approval.
4	Pay Progression - That the cap on pay progression for CEs is continued but increased from a maximum of 1.5% to at a maximum of 2.5%.

5	Framework Bands - That the CE framework pay bands be refreshed as proposed to better reflect the current CE landscape, whilst still maintaining broad comparison with the SCS framework.

Administrative Updates	
7	Punitive Action – The technical guide section on punitive action should be updated to provide more detail and greater clarity on the measures that could be put in place following deviation from the policy.

No Changes Required	
2	Pay Ratios: No recommendation to adhere to a set ratio. The pay ratio between the CE and the median staff salary should not be a determining factor in setting salaries, however the ratio should be acknowledged when reviewing the CE salary.
6	Determination of Band - The current method of pay band determination is still fit for purpose and no changes are recommended.
8	NHS ESM – Health portfolio to decide on timing of a review of NHS ESM pay arrangements

Next Steps

74. The Chief Executive Framework will be updated with the recommendations set out above and distributed to stakeholders. This report of the review will be published on the Public Sector Pay webpages.

Pay Implementation and Governance Team
August 2024

This publication is available at **www.gov.scot**

Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83601-898-8 (web only)

Published by The Scottish Government, October 2024

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1516690 (10/24)