NHS Circular: PCS(AFC)2025/5

The Scottish Government Health Workforce Culture, Pay and Partnership Division



Scottish Government Riaghaltas na h-Alba gov.scot

Dear Colleague

PAY AND CONDITIONS FOR NHS STAFF COVERED BY THE AGENDA FOR CHANGE AGREEMENT

Summary

1. This circular informs NHS Scotland employers of changes to the pay of staff covered by the Agenda for Change agreement for 2025-26 and 2026-27.

2. The uplifts detailed in this circular will be effective from 1 April in each respective year.

3. This two-year settlement has been negotiated and agreed between the Scottish Government and Scottish Agenda for Change trade unions and staff representative groups.

4. Under the agreement, Agenda for Change staff in Scotland will receive a 4.25% increase in pay in 2025-26 and a 3.75% increase in pay in 2026-27. The settlement also provides a guarantee that that the increase in pay in each year will be at least 1 percentage point above the average CPI inflation. If this proves not to be the case, pay rates will be adjusted accordingly. The full text of the inflation guarantee is attached at **Annex A**, for information and reference.

Revised Pay Rates

5. **Annex B** sets out the agreed 2025-26 and 2026-27 pay rates in full and **Annex C** sets these in the context of individual pay journeys.

19 May 2025

Addressees

For action

Chief Executives, Directors of Finance, Directors of Human Resources: NHS Boards and Special Health Boards, NHS National Services Scotland (Common Services Agency) and Healthcare Improvement Scotland

For information

Members, Scottish Partnership Forum Members, Scottish Terms and Conditions Committee Members, Scottish Workforce and Governance Committee

Enquiries to:

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E-mail:

hwfpaytermsandconditions @gov.scot

Scottish Living Wage

6. NHS Scotland is a Living Wage employer and, as such, the lowest salary available as part of the 2025-26 settlement (£25,560) translates into an hourly rate of £13.25 per hour, which is above the current Real Living Wage rate of £12.60 per hour. Should the lowest available hourly rate on 1 April 2026 be below the Real Living Wage at that point it will be adjusted accordingly.

On-Call Availability Allowance

7. In line with paragraph 7.2 of <u>PCS(AFC)2015/3</u>, the On-Call Availability Allowance is increased by 4.25% to £26.47 per session from 1 April 2025 and by 3.75% to £27.47 per session from 1 April 2026.

Pay Protection

8. Staff on organisational change pay protection as at 1 April 2025 should have their protected earnings levels increased by 4.25% and staff on organisational change pay protection as at 1 April 2026 should have their protected earnings levels increased by 3.75%. Staff not at the top of their Band remain eligible for any incremental progression on their protected pay scale.

Recruitment and Retention Premia (RRP)

9. Any RRPs which increase in line with pay uplifts should be increased by 4.25% from 1 April 2025 and 3.75% from 1 April 2026.

Two Tier Agreement

10. The above changes to pay will also apply to the workforce covered by the Two Tier Agreement.

Cabinet Secretary Approval

11. The provisions of this circular have been approved by Scottish Ministers under Regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (SI 1991 No 537). A copy of the formal approval is attached.

Action

12. NHS Boards and Special Health Boards should ensure that the new rates are paid from 1 April 2025 and 1 April 2026 as indicated.

Enquiries

13. Employees should direct their personal enquiries to their employing NHS Board or Special Health Board.

14. This circular can be found online at:

www.publications.scot.nhs.uk

Yours sincerely

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JANE HAMILTON Deputy Director Health Workforce: Culture, Pay and Partnership Division



NATIONAL HEALTH SERVICE APPROVAL OF REMUNERATION AND CONDITIONS OF SERVICE

In accordance with regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (S.I. 1991/537) the remuneration and conditions of service set out in the attached Scottish Government Health Workforce Directorate circular of 19 May 2025 – PCS(AFC)2025/5 – in respect of salary for NHS Scotland staff covered by the Agenda for Change agreement are hereby approved for the purposes of the said Regulations.

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JANE HAMILTON Deputy Director Health Workforce: Culture, Pay and Partnership Division 19 May 2025

AGENDA FOR CHANGE: 2025-26 AND 2026-27 PAY SETTLEMENT – INFLATION GUARANTEE

As part of the 2025-26 and 2026-27 pay settlement there is a guarantee that each year of this pay deal will be 1 percentage point higher than average CPI inflation. The pay deal is 4.25% in 2025-26, and 3.75% in 2026-27. This is a cumulative increase of 8.16%.

Any payment under the inflation guarantee will be referred to for the purposes of this agreement as "the inflation guarantee payment".

To ensure any uplift to salaries can be made within the relevant pay period, average CPI inflation, as defined by the Office of National Statistics (ONS) will be calculated over the calendar year. For the 2025-26 pay period, average inflation will be calculated from January to December 2025. For the 2026-27 pay period average inflation will be calculated from January 2026 to December 2026.

For 2025-26 the pay settlement is 4.25%, therefore if CPI inflation in 2025 averages higher than 3.25% over the period January 2025 – December 2025, then pay will be adjusted by the inflation guarantee payment to ensure the uplift over the period is 1 percentage point above average CPI inflation.

For 2026-27 the pay settlement is 3.75%, therefore if CPI inflation in 2026 averages higher than 2.75% over the period January 2026 – December 2026, then pay will be adjusted by the inflation guarantee payment to ensure the uplift over the period is 1 percentage point above average CPI inflation.

The table below sets out what the cumulative pay award will be relative to different rates of cumulative CPI inflation over the corresponding period.

| % Pay Award 2025-26 | Average CPI Inflation January to December 2025 | Inflation Guarantee Payment applied in March 2026 |
|------------------------|--|---|
| 4.25% | 3.2% | 0.00% |
| 4.25% | 3.3% | 0.05% |
| 4.25% | 3.5% | 0.25% |
| 4.25% | 4.0% | 0.75% |
| 4.25% | 4.5% | 1.25% |
| 4.25% | 5.0% | 1.75% |
| 4.25% | 5.5% | 2.25% |
| 4.25% | 6.0% | 2.75% |

2025-26 pay uplift of 4.25%

• CPI inflation is defined and published monthly by ONS to 1 decimal point.

• The above table provides a series of examples for illustrative purposes and does not cover every scenario. See the Examples at the end of the agreement for more detailed information on how the inflation guarantee payment would be applied.

2026-27 pay uplift of 3.75%

| % Pay Award 2026-27 | Average CPI Inflation January to December 2026 | Inflation Guarantee Payment Applied in March 2027 |
|------------------------|--|---|
| 3.75% | 2.7% | 0.00% |
| 3.75% | 2.8% | 0.05% |
| 3.75% | 3.0% | 0.25% |
| 3.75% | 3.5% | 0.75% |
| 3.75% | 4.0% | 1.25% |
| 3.75% | 4.5% | 1.75% |
| 3.75% | 5.0% | 2.25% |
| 3.75% | 5.5% | 2.75% |
| 3.75% | 6.0% | 3.25% |

CPI inflation is defined and published monthly by ONS to 1 decimal point.

• The above table provides a series of examples for illustrative purposes and does not cover every scenario. See the Examples at the end of the agreement for more detailed information on how the inflation guarantee payment would be applied.

<u>Notes</u>

- 1. Average CPI inflation will be calculated over the periods January 2025 to December 2025, and January 2026 to December 2026 respectively.
- 2. Published ONS data will be the basis for CPI inflation calculation.
- 3. Monthly figures will be tracked, reported to and agreed by STAC.
- STAC will publish an Inflation Guarantee statement each year no later than 31 January which will confirm whether the inflation guarantee payment is to be made
- 5. For the purposes of this agreement we will take the 12 monthly CPI figures from January 2025 to December 2025 as published by the ONS and divide the total number by 12 to give the agreed average CPI inflation. The same process will apply in 2026 using the period January 2026 to December 2026.
- 6. Should an increase be triggered in either year, the inflation guarantee payment will be paid as a one off consolidated pensionable payment in March 2026 and March 2027 respectively. The inflation guarantee payment will be calculated on the pre uplift salary as at 31 March 2025 or 31 March 2026
- 7. Should an increase be triggered in either year, employees who have benefited from promotion or increments will be entitled to the full in year value based upon their pay journey (i.e. in a year if an additional 1.5% inflation guarantee payment is due, a Band 6 who has been promoted to Band 7 on 14 July would receive the additional payment based on their Band 6 salary until 13 July and on their new Band 7 salary from 14 July for the rest of the year. The same principle will apply for staff moving up an increment in year).
- 8. Any increase applied will be permanent and apply to all AfC pay points, leads and allowances which increase in line with pay uplifts.

Examples

- a) If from January 2025 to December 2025 average CPI inflation is 2.5%, no adjustment would be made as the pay award is 1.75 percentage points above average CPI inflation.
- b) As another example, if from January 2025 to December 2025 average CPI inflation is 3.5%, an adjustment would be made with a 0.25% pay uplift to all pay points as the pay award is only 0.75 percentage points above average CPI inflation, and therefore below the one percentage point threshold.
- c) As another example, if from January 2025 to December 2025 average CPI inflation is 5.2%, an adjustment would be made with a 1.95% pay uplift to all pay points as the pay award is 0.95 percentage points lower than average CPI inflation, therefore below the one percentage point threshold. If then in January 2026 to December 2026 inflation averaged 8.2%, an adjustment would be made with a 5.45% pay uplift to all pay points as the pay award is 3.95 percentage points lower than average CPI inflation, and therefore again it is below the one percentage point threshold.

| Band | Point | 2024-25 Rates | 2025/26 Rates 4.25% Uplift | Uplift £ |
|---------|-------|---------------|-------------------------------|-------------|
| Band 1 | 1 | £24,518 | £25,560 | £1,042 |
| Band 2 | 1 | £24,647 | £25,694 | £1,042 |
| Bana E | 2 | £26,763 | £27,900 | £1,137 |
| Band 3 | 1 | £26,869 | £28,011 | £1,142 |
| | 2 | £28,998 | £30,230 | £1,232 |
| Band 4 | 1 | £29,116 | £30,353 | £1,237 |
| | 2 | £31,670 | £33,016 | £1,346 |
| Band 5 | 1 | £31,892 | £33,247 | £1,355 |
| | 2 | £34,077 | £35,525 | £1,448 |
| | 3 | £39,735 | £41,424 | £1,689 |
| Band 6 | 1 | £39,912 | £41,608 | £1,696 |
| | 2 | £41,670 | £43,441 | £1,771 |
| | 3 | £48,635 | £50,702 | £2,067 |
| Band 7 | 1 | £48,788 | £50,861 | £2,073 |
| | 2 | £50,651 | £52,804 | £2,153 |
| | 3 | £56,747 | £59,159 | £2,412 |
| Band 8A | 1 | £60,126 | £62,681 | £2,555 |
| | 2 | £64,906 | £67,665 | £2,759 |
| Band 8B | 1 | £70,986 | £74,003 | £3,017 |
| | 2 | £75,937 | £79,164 | £3,227 |
| Band 8C | 1 | £83,837 | £87,400 | £3,563 |
| | 2 | £89,866 | £93,685 | £3,819 |
| Band 8D | 1 | £99,534 | £103,764 | £4,230 |
| | 2 | £103,795 | £108,206 | £4,411 |
| Band 9 | 1 | £117,732 | £122,736 | £5,004 |
| | 2 | £122,831 | £128,051 | £5,220 |

NHS SCOTLAND AGENDA FOR CHANGE PAY RATES FROM 1 APRIL 2025

NHS SCOTLAND AGENDA FOR CHANGE PAY RATES FROM 1 APRIL 2026

| Band | Point | 2025-26 Rates | 2026/27 Rates 3.75% Uplift | Uplift £ |
|---------|-------|---------------|-------------------------------|-------------|
| Band 1 | 1 | £25,560 | £26,519 | £959 |
| Band 2 | 1 | £25,694 | £26,658 | £964 |
| | 2 | £27,900 | £28,947 | £1,046 |
| Band 3 | 1 | £28,011 | £29,061 | £1,050 |
| | 2 | £30,230 | £31,364 | £1,134 |
| Band 4 | 1 | £30,353 | £31,492 | £1,138 |
| | 2 | £33,016 | £34,254 | £1,238 |
| Band 5 | 1 | £33,247 | £34,494 | £1,247 |
| | 2 | £35,525 | £36,857 | £1,332 |
| | 3 | £41,424 | £42,977 | £1,553 |
| Band 6 | 1 | £41,608 | £43,169 | £1,560 |
| | 2 | £43,441 | £45,070 | £1,629 |
| | 3 | £50,702 | £52,603 | £1,901 |
| Band 7 | 1 | £50,861 | £52,769 | £1,907 |
| | 2 | £52,804 | £54,784 | £1,980 |
| | 3 | £59,159 | £61,377 | £2,218 |
| Band 8A | 1 | £62,681 | £65,032 | £2,351 |
| | 2 | £67,665 | £70,202 | £2,537 |
| Band 8B | 1 | £74,003 | £76,778 | £2,775 |
| | 2 | £79,164 | £82,133 | £2,969 |
| Band 8C | 1 | £87,400 | £90,678 | £3,278 |
| | 2 | £93,685 | £97,199 | £3,513 |
| Band 8D | 1 | £103,764 | £107,655 | £3,891 |
| | 2 | £108,206 | £112,264 | £4,058 |
| Band 9 | 1 | £122,736 | £127,338 | £4,603 |
| | 2 | £128,051 | £132,853 | £4,802 |

NHS SCOTLAND AGENDA FOR CHANGE PAY RATES FROM 1 APRIL 2025: FULL PAY JOURNEY

| Band 1 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £24,518 | £25,560 |

| Band 2 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £24,647 | £25,694 |
| | 2 | £24,647 | £25,694 |
| | 3 | £26,763 | £27,900 |

| Band 3 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £26,869 | £28,011 |
| | 2 | £26,869 | £28,011 |
| | 3 | £28,998 | £30,230 |

| Band 4 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £29,116 | £30,353 |
| | 2 | £29,116 | £30,353 |
| | 3 | £29,116 | £30,353 |
| | 4 | £31,670 | £33,016 |

| Band 5 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £31,892 | £33,247 |
| | 2 | £31,892 | £33,247 |
| | 3 | £34,077 | £35,525 |
| | 4 | £34,077 | £35,525 |
| | 5 | £39,735 | £41,424 |

| Band 6 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £39,912 | £41,608 |
| | 2 | £39,912 | £41,608 |
| | 3 | £41,670 | £43,441 |
| | 4 | £41,670 | £43,441 |
| | 5 | £41,670 | £43,441 |
| | 6 | £48,635 | £50,702 |

| Band 7 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £48,788 | £50,861 |
| | 2 | £48,788 | £50,861 |
| | 3 | £50,651 | £52,804 |
| | 4 | £50,651 | £52,804 |
| | 5 | £50,651 | £52,804 |
| | 6 | £56,747 | £59,159 |

| Band 8A | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £60,126 | £62,681 |
| | 2 | £60,126 | £62,681 |
| | 3 | £60,126 | £62,681 |
| | 4 | £60,126 | £62,681 |
| | 5 | £60,126 | £62,681 |
| | 6 | £64,906 | £67,665 |

| Band 8B | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £70,986 | £74,003 |
| | 2 | £70,986 | £74,003 |
| | 3 | £70,986 | £74,003 |
| | 4 | £70,986 | £74,003 |
| | 5 | £70,986 | £74,003 |
| | 6 | £75,937 | £79,164 |

| Band 8C | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £83,837 | £87,400 |
| | 2 | £83,837 | £87,400 |
| | 3 | £83,837 | £87,400 |
| | 4 | £83,837 | £87,400 |
| | 5 | £83,837 | £87,400 |
| | 6 | £89,866 | £93,685 |

| Band 8D | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £99,534 | £103,764 |
| | 2 | £99,534 | £103,764 |
| | 3 | £99,534 | £103,764 |
| | 4 | £99,534 | £103,764 |
| | 5 | £99,534 | £103,764 |
| | 6 | £103,795 | £108,206 |

| Band 9 | Yearly Increment | 2024/25 Rates | 2025/26 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £117,732 | £122,736 |
| | 2 | £117,732 | £122,736 |
| | 3 | £117,732 | £122,736 |
| | 4 | £117,732 | £122,736 |
| | 5 | £117,732 | £122,736 |
| | 6 | £122,831 | £128,051 |

NHS SCOTLAND AGENDA FOR CHANGE PAY RATES FROM 1 APRIL 2026: FULL PAY JOURNEY

| Band 1 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £25,560 | £26,519 |

| Band 2 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £25,694 | £26,658 |
| | 2 | £25,694 | £26,658 |
| | 3 | £27,900 | £28,947 |

| Band 3 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £28,011 | £29,061 |
| | 2 | £28,011 | £29,061 |
| | 3 | £30,230 | £31,364 |

| Band 4 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £30,353 | £31,492 |
| | 2 | £30,353 | £31,492 |
| | 3 | £30,353 | £31,492 |
| | 4 | £33,016 | £34,254 |

| Band 5 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £33,247 | £34,494 |
| | 2 | £33,247 | £34,494 |
| | 3 | £35,525 | £36,857 |
| | 4 | £35,525 | £36,857 |
| | 5 | £41,424 | £42,977 |

| Band 6 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £41,608 | £43,169 |
| | 2 | £41,608 | £43,169 |
| | 3 | £43,441 | £45,070 |
| | 4 | £43,441 | £45,070 |
| | 5 | £43,441 | £45,070 |
| | 6 | £50,702 | £52,603 |

| Band 7 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £50,861 | £52,769 |
| | 2 | £50,861 | £52,769 |
| | 3 | £52,804 | £54,784 |
| | 4 | £52,804 | £54,784 |
| | 5 | £52,804 | £54,784 |
| | 6 | £59,159 | £61,377 |

| Band 8A | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £62,681 | £65,032 |
| | 2 | £62,681 | £65,032 |
| | 3 | £62,681 | £65,032 |
| | 4 | £62,681 | £65,032 |
| | 5 | £62,681 | £65,032 |
| | 6 | £67,665 | £70,202 |

| Band 8B | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £74,003 | £76,778 |
| | 2 | £74,003 | £76,778 |
| | 3 | £74,003 | £76,778 |
| | 4 | £74,003 | £76,778 |
| | 5 | £74,003 | £76,778 |
| | 6 | £79,164 | £82,133 |

| Band 8C | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £87,400 | £90,678 |
| | 2 | £87,400 | £90,678 |
| | 3 | £87,400 | £90,678 |
| | 4 | £87,400 | £90,678 |
| | 5 | £87,400 | £90,678 |
| | 6 | £93,685 | £97,199 |

| Band 8D | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|---------|------------------|---------------|---------------|
| | 1 | £103,764 | £107,655 |
| | 2 | £103,764 | £107,655 |
| | 3 | £103,764 | £107,655 |
| | 4 | £103,764 | £107,655 |
| | 5 | £103,764 | £107,655 |
| | 6 | £108,206 | £112,264 |

| Band 9 | Yearly Increment | 2025/26 Rates | 2026/27 Rates |
|--------|------------------|---------------|---------------|
| | 1 | £122,736 | £127,338 |
| | 2 | £122,736 | £127,338 |
| | 3 | £122,736 | £127,338 |
| | 4 | £122,736 | £127,338 |
| | 5 | £122,736 | £127,338 |
| | 6 | £128,051 | £132,853 |