POLICY NOTE

THE LOCAL GOVERNANCE (SCOTLAND) ACT 2004 (REMUNERATION) AMENDMENT REGULATIONS 2025

SSI 2025/8

The above instrument was made in exercise of the powers conferred by sections 11(1) and 16(2)(b) of the Local Governance (Scotland) Act 2004 and all other powers enabling them to do so. The instrument is subject to negative procedure.

Summary Box

The purpose of these Regulations is to amend the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 ("the 2007 Regulations).

These amendments implement recommendations of the independent Scottish Local Authority Remuneration Committee (SLARC) which reported in February 2024, to which the Scottish Government responded in July 2024.

The amendments increase the salary paid to all levels of councillors across all local authority bands.

The amendments also increase to 10 the maximum number of senior councillors able to be appointed in specific local authorities and also moves those authorities from Band A to Band B.

Policy Objectives

This instrument amends the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 to make banding changes, increase the maximum number of senior councillors in specific local authorities and set new salaries for councillors.

Increased salaries for Leaders

3. Regulation 2(2) sets new increased salaries for Leaders of all local authorities. SLARC recommended new salaries be paid from 1 April 2024 on the following basis:

- the salary for leader of Band D authorities is benchmarked to that of Members of the Scottish Parliament as at 1 April 2023.
- the salary of a Band C Leader is set at a value equivalent to 85% of Band D Leader
- the salary of a Band B Leader is set at a value equivalent to 70% of Band D Leader.

The rates set out in Regulation 2(2) are based on the SLARC recommended salaries but uplifted by 5.7% in line with the median increase in earnings of public sector employees in Scotland, published in Table 25.7a of the Annual Survey of Hours and Earnings (ASHE) 2024 data. This reflects the uplift that would have been due had the recommendations been implemented from 1 April 2024.

Increased Salaries for Civic Heads

4. Regulation 2(3) sets new increased salaries for Civic Heads of all local authorities. The new salary represents a maximum of 75% of the respective Leader's salary for the relevant Band.

Increased Maximum Number of Senior Councillors

5. Regulation 2(4) increases to 10 the maximum number of senior councillors able to be appointed in the local authorities listed, as well as retaining the local authority which already has a maximum of 10 senior councillors.

Increased Salaries for Senior Councillors

6. Regulation 2(5) provides for new increased salaries for senior councillors which represent a maximum of 75% of the respective Leader's salary for the relevant Band.

Increased Salaries for Councillors

7. Regulation 2(6) sets a new increased salary for councillors. The amount is initially based on 80% of the median salary for all employees in the public sector in Scotland as published in Table 25.7a of the October 2022 Annual Survey of Hours and Earnings (ASHE) data. However, an uplift of 5.7% has been applied in line with the median increase in earnings of public sector employees in Scotland for 2024, as published in ASHE table 25.7a. This reflects the increase that would have been due had the recommendations been implemented from 1 April 2024.

Merge Band A Authorities into Band B

8. Regulation 2(7) lists Band B local authorities which comprises those authorities which were previously in Band A and existing Band B authorities. Band A has been retained as a heading in the 2007 Regulations should it be required in case of any future banding changes although no authorities now come under that classification. For local authorities moved from Band A to Band B there are, therefore, two separate changes – the move from Band A to Band B and the increase to 10 of the maximum number of senior councillors.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

No formal consultation was required to be carried out in relation to these Regulations. These regulations implement the recommendations of the independent Scottish Local Authority Remuneration Committee and have the support of local government. There has been engagement with local government on the draft provisions and their effect.

Impact Assessments

The instrument amends existing principal Regulations to implement the recommendations of an independent Committee and deliver increases to councillor salaries. Councillor salaries are normally uplifted on an annual basis. An equality impact assessment has not been undertaken as the increase in councillors remuneration applies to all local authority members. A child rights and wellbeing impact assessment has been prepared.

Financial Effects

The Cabinet Secretary for Finance and Local Government confirms that no Business Regulatory Impact Assessment is required as there is no impact on business or the third sector and the impact on the public sector (council budgets) is not expected to cause a significant financial pressure.

The salary and banding related changes, including the annual uplift, will increase the overall cost of councillor remuneration by approximately £5.4 million. The uplift in General Revenue Grant 2025-26 ensures that the recommendations are affordable within the Local Government Settlement.

Scottish Government
Local Government Directorate

23 January 2025