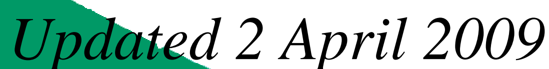
Department of Health

Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts



Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts

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Introduction

1. The Very Senior Managers' Pay Framework sets out arrangements that are designed to:
   - recruit, retain and motivate high calibre staff
   - provide a national framework that allows local flexibility but that is fair and equitable
   - be consistent with the principles of other pay reforms – Agenda for Change and Consultant Contract
   - introduce a national contract with terms consistent with other NHS staff groups, and incorporating the Code of Conduct for NHS Managers

2. These arrangements take account of:
   - responses to the Department of Health's consultation in August 2003 (which were in favour of developing the VSM pay arrangements in parallel with the development of Agenda for Change)
   - the field-testing of proposed new arrangements with four SHA health communities in May 2005
   - the organisational changes arising from *Commissioning a Patient Led NHS*, *Taking Healthcare to the Patient,* and the review of Arms Length Bodies (ALBs)

3. As is the requirement for all public sector pay proposals, these arrangements have been approved by the Public Sector Pay Committee of HM Treasury and the Cabinet Office. The details of these arrangements have also been shared with NHS Employers and staff side representatives.

Scope

Staff

4. These arrangements cover the following staff:
   - chief executives
   - executive directors, with the exception of those who are eligible to be on the Consultant Contract by virtue of their qualification and the requirements of the post
   - other senior managers with Board level responsibility who report directly to the chief executive – referred to in this document as 'other second level very senior managers'

5. For the avoidance of doubt, we would expect that managers would fall into this third category only if their posts are heavily loaded. Whilst the Agenda for Change job evaluation system has not been designed to apply to posts with Board level responsibility, the test of whether such a post is heavily loaded would be whether, if it were to be evaluated under Agenda for Change, it would be weighted at Band 9. It is not intended, however, that all Band 9 Agenda for Change posts should come within the VSM pay arrangements. All other senior managers, outside the definition in paragraph 4, fall under Agenda for Change.

6. Those eligible to be on the Consultant Contract, by virtue of their qualification and the requirements of the post, will be appointed on or shall remain on those terms. (See also supplementary guidance on PCT Director of Public Health Posts at http://www.dh.gov.uk/en/Publicationsandstatistics/DH_063889)

Organisations

7. The arrangements apply in:
   - strategic health authorities
   - special health authorities
   - primary care trusts
   - ambulance trusts

8. Arms-Length Bodies that are Executive Non-Departmental Public Bodies (ENDPBs) are not covered by the VSM Pay Framework, but are strongly encouraged to use these arrangements as the benchmark for determining or reviewing their own pay frameworks for Very Senior Managers. ENDPBs will be expected to have robust pay determination arrangements in place, and to be able to account for pay ranges that are in excess of the VSM Pay Framework.

9. NHS Trusts are free to adopt the principles of the arrangements but will not be covered by the pay scales as:

   - there is correlation between NHS Trust size/turnover and pay

   - the pay market in NHS Trusts is reasonably well controlled

   - NHS Trusts are on the road to greater autonomy and Foundation status

10. All of the arrangements apply equally to the organisations listed in paragraph 7, unless explicitly stated otherwise.

The Reward Package

11. The total reward package for very senior managers includes:

- Basic pay: a spot rate salary for the post, determined by the role and an organisational weighting factor, and uplifted annually

- Additional payments where appropriate and within the limits described in this Framework

- An annual performance bonus scheme

Basic Pay

12. There are basic pay ranges for the chief executive role in each type of organisation.

13. Except in special health authorities (SpHAs), the spot rate salary for an individual chief executive is determined using an organisational weighting factor.

14. Except in SpHAs, the spot rate salary for executive directors and other second level very senior managers is set at a percentage of their individual chief executive's basic pay.

Chief Executives' Basic Pay

Strategic Health Authority Chief Executives

15. The pay range for strategic health authority chief executives is shown at Appendices A and E, in four bands. Each of these bands has a spot rate salary.

16. The organisational weighting factor used for the banding (to determine individual spot rate salaries) is weighted population –i.e. resident population, weighted for age and deprivation.

17. Appendix E will be updated annually to show the rates from 1st April each year.

Special Health Authority Chief Executives

18. Pay ranges for special health authority chief executives, aligned to arrangements for SHA and PCT chief executives, are shown in Appendices B and E and are in three bands. SpHA chief executives are paid within the range for their organisational grouping.

19. The organisational weighting factor used to determine groupings of SpHAs nationally is a combination of current income and impact.

20. Appendix E will be updated annually to show the rates from 1st April each year.

Primary Care Trust Chief Executives

21. The pay range for primary care trust chief executives is shown at Appendices C and E, in five bands. Each of these bands has a spot rate salary.

22. The organisational weighting factor used for the banding (to determine individual spot rate salaries) is weighted population –i.e. resident population, weighted for age and deprivation.

23. Appendix E will be updated annually to show the rates from 1st April each year.

Ambulance Trust Chief Executives

24. The pay range for ambulance trust chief executives is shown at Appendices D and E, in four bands. Each of these bands has a spot rate salary.

25. The organisational weighting factors used for the banding (to determine individual spot rate salaries) are expenditure on emergency services, and activity.

26. Appendix E will be updated annually to show the rates from 1st April each year.

Joint Management Arrangements

27. In some cases, a primary care trust may share a joint management team with a neighbouring primary care trust, although each would have a separate board.

28. In such cases, the chief executive's spot rate should be the one that applies to the total of the weighted population of the primary care trusts concerned. (See Appendix C).

Executive Directors' Basic Pay

29. Except in special health authorities (SpHAs), executive directors (and other second level VSMs) will be paid a percentage of their individual chief executive's basic salary. This 'pegging' takes account of the organisational weighting factor that determines the chief executive's salary. In SpHAs, executive directors (and other second level VSMs) will be paid a percentage of the *mid point of the chief executive's pay range* for their organisational grouping (see paragraph 32 below).

30. Except for SpHAs (see paragraph 32 below), national standard portfolio descriptions were agreed for some of these roles in 2006 and for others as new structures emerged. (The common features of new roles are given at new Appendix G). The percentages assigned to these roles range from 55% to 75% depending on role and organisation. The percentage levels of pay for executive director roles in each type of organisation are shown in Appendix E. This covers executive director roles that are common across organisation types; it is important that there is consistency in pay for like roles. If further new roles emerge, the appropriate level of pay will be determined and added to this guidance following consideration of the job content.

31. Where an executive director/second level VSM has more than one role in his/her overall portfolio, the rate for that role should be proposed by the chief executive for approval by the remuneration committee. Proposals should be made with regard to the rates set out in Appendix E, together with the guidance on the pay of directors with broad remits at Appendix F.

32. For executive directors in special health authorities, the same percentage ranges apply, but given the range and complexity of the services delivered by special health authorities at a national level, there are no national job descriptions. Instead, special health authorities will be expected to have robust arrangements in place for determining the percentage appropriate for the very senior manager roles in their organisation, within the range from 55% to 75%, with an overall average of 65% of the mid point of the chief executive pay range. Where the proposed percentage level of pay

is different to that for the executive director roles with a national portfolio description or the relativities across the SpHA sector, special health authorities will be expected to agree this with their sponsor branch and the ALB Pay and Performance Oversight Committee at the Department of Health. Relativities for the SpHA sector are shown in Appendix E. The sponsor branch and the ALB Pay and Performance Oversight Committee at the Department of Health will need to give formal grandparent approval of all pay proposals (see paragraphs 65 and 66 below).

Development Pay for Executive Directors

33. A remuneration committee may recommend paying an executive director (or second level VSM) at a rate below the basic rate for the post, for a defined period, where the individual is judged to meet all the requirements for appointment but requires a period of development in the new role in order to discharge all the duties and responsibilities fully and effectively.

34. Where used, this flexibility would normally apply to someone taking up an executive director post for the first time on promotion. It is not intended, however, that it should be the case for all such appointments.

35. Where a remuneration committee proposes using this flexibility, there should be a clear business case. This should include an assessment of the development need and how the organisation will support the director to undertake that development in the role. There should be a set period, agreed with the executive director, with an assessment at the end point with the intention of moving the executive director onto the full basic rate for the post should the assessment support that.

Additional payments

Recruitment and Retention Premia

36. A Recruitment and Retention Premium (RRP) is an addition to the pay of an individual post (or specific group of posts) where market pressures would otherwise prevent the employer from being able to recruit and retain staff for the post(s) concerned at the normal basic salary for the post(s).

37. A short-term Recruitment and Retention Premium may be paid where it is anticipated that the need to make the additional payment will disappear. The payment may be one-off or fixed-term. It must be reviewed regularly and can be withdrawn or adjusted with six months' notice. It is not pensionable and does not count as part of basic pay for any other payments (eg does not count as part of the calculation for performance pay).

38. A long-term Recruitment and Retention Premium may be applied where there are deep-rooted market conditions (or it is impossible to recruit to the post at the basic rate of pay). Payment may be awarded to new staff at a different rate to existing staff. It must be reviewed regularly. It is pensionable and it also counts for other payments linked to basic pay (eg performance bonus payments).

39. Payments in respect of recruitment and retention should not normally exceed 30% of basic pay. The remuneration committee should make any recommendations for such payments on the basis of a clear business case. See paragraphs 58-64 below on the role of remuneration committees.

40. The individual would not retain the Recruitment and Retention Premium on moving to another post, and it would not necessarily be paid to the next incoming post holder.

Additional payment for additional responsibilities

41. Employers may provide additional payments where individuals take on significant responsibilities outside their core role. This could include work at a national level – eg being a 'national lead' for the Department of Health or the strategic health authorities on a given subject or project. For SpHAs who already have a national role, significant responsibilities outside the core role could include leading on a national transformation programme. It could also include work that the organisation agreed to undertake for other organisations. It is anticipated that the sponsor/ commissioner of the work would contribute the additional payment although there may be scope for agreements/quid pro quo between organisations.

42. Payments should be linked to the proportion of time that the individual would spend on the additional work. That time commitment would need to be agreed by both parties and present no detriment to the delivery of core objectives. Additional objectives may be agreed for the additional work, and payment may be contingent on delivery of those objectives.

43. Employers could consider providing additional payments to directors that take on roles with a broad remit – see additional guidance at Appendix F. In SpHAs, an example of a broad remit role might be a 'Director of Corporate Services', with Finance as a primary function and HR and IM&T as secondary functions.

44. A total cumulative limit of 10% of basic salary applies to payments for additional responsibilities –i.e. this is the maximum amount, not the amount for each additional responsibility.

45. Where additional payment is made to individuals who take on significant responsibilities outside their core role, the employer may choose that the payment be pensionable, but the payment would not form part of basic pay for the purpose of calculating other payments (eg performance bonuses). However, where additional payment is made to directors that take on roles with a broad remit (where additional responsibilities would be part of their core role), the payment would be both pensionable and reckonable for the purpose of calculating performance bonuses.

Annual Uplifts and Performance Bonus Scheme

46. The annual uplift and performance bonus scheme has two elements of payment – an annual uplift, and non-consolidated bonus payment - and is based upon four levels of performance assessment.

47. Pay awards for the year will be based upon placing the individual into one of four categories:

Category		***Award***
A	Outstanding	annual uplift, consolidated into salary; plus a % non-consolidated bonus
B	Exceeds expectations	annual uplift, consolidated into salary; plus a % non-consolidated bonus
C	Satisfactory	annual uplift, consolidated into salary
D	Not satisfactory	No increase

48. The award payable to individual staff will be determined by the performance category into which they are placed. However, it is an essential criterion of the performance bonus scheme that the organisation achieves its financial control target as agreed with its grandparent organisation (see paragraphs 65 and 66 below). Where an organisation fails to do this, all its very senior managers will be treated as Category D performers and so no awards (either annual uplift or performance bonus payment) will be paid to them.

The annual uplift – Category A, B and C performers in organisations that achieve their financial control target

49. The annual uplift will be applied to the basic rate for each post –i.e. the salary values for each post will be revalorised annually.

50. The annual uplift will be applied to the basic pay being paid to the post holder (which would include any long-term RRP payment), provided that:
    - the organisation achieves its financial control target; and
    - the individual concerned is judged as performing at Category A, B or C.

51. Those in Categories A, B and C will receive this annual uplift to their basic pay, which will be pensionable within the limits of the NHS Pension Scheme as they apply to each individual (provisions vary depending on date of joining the Scheme).

Non-consolidated performance bonus payments – Category A and B performers in organisations that achieve their financial control target

52. Those in Categories A and B will receive, in addition to the annual uplift, a non-consolidated bonus payment, provided the essential criterion is met –i.e. that the organisation achieves its financial control target. Bonus payments will be non-pensionable, non-consolidated one-off payments paid in the following year. The value of the A & B non-consolidated bonus payments has been determined annually. From April 2009, remuneration committees may recommend variable performance bonus awards, subject to the limit on the total value of the performance pot (which is determined annually) and an upper limit on the award payable to any one individual. For awards payable in 2009/10 (in respect of 2008/09 performance) this upper limit on individual awards is 7%. For future years, the Senior Salaries Review Body will be asked to make recommendations on the upper limit. In recommending variable awards, remuneration committees will need to ensure that there is a clear process for arriving at such recommendations, and a clear and transparent justification for the recommendations. (This will be covered in more detail in forthcoming guidance to remuneration committees).

Category D performers

53. Those in Category D will receive no uplift to their pay. This will apply to all very senior managers in organisations that fail to meet their financial control target. In such cases, it is important to understand and to be clear about the distinction between the basic pay for that post and the actual pay of the individual post holder. The basic pay for the post will be uplifted –i.e. if a new appointment is made it would be to that uplifted level of basic pay – but this uplift would not be applied to the pay of a Category D performer.

54. Further guidance to remuneration committees will be issued early in 2009/10, following consultation. This will include guidance on objective setting, performance management and the link to performance pay.

Process for determining the value of annual uplifts and bonuses

55. The Senior Salaries Review Body makes recommendations to Government annually on the level of increase to basic pay and the value of the performance pay pot. (From 2009, SSRB will be asked to recommend the upper limit on the performance award payable to any one individual).

Allowances

56. Allowances are considered as part of the reward package. It is important, for equal pay purposes, that there is a consistent approach to the payment of allowances.

57. With the exception of terms and conditions that are explicitly covered in the new contract for NHS very senior managers (see paragraph 82), employers should refer to the terms and conditions of service set out in Part 3 of *Agenda for Change: NHS Terms and Conditions of Service Handbook.* http://www.nhsemployers.org/pay-conditions/pay-conditions-217.cfm

The Role of Remuneration Committees

58. Remuneration committees should take account of guidance on their roles and responsibilities, including:

    - *Codes of Conduct and Accountability* EL(94)40 - in particular Section B on the functions and composition of Remuneration Committees

    - *Code of Conduct and Code of Accountability in the NHS*, July 2004 Code of conduct: code of accountability in the NHS - 2nd rev ed : The Department of Health - Pubs and stats: Publications

    and of the provisions set out in this VSM Pay Framework guidance. For special health authority remuneration committees, additional guidance and support is available from the Department's ALB and National Programmes Pay and Performance Oversight Committee.

Determining basic salary

59. This VSM Pay Framework sets out the basic salary for chief executives and executive directors in each type of organisation. Except for SpHAs, the basic salary is a spot rate, determined by organisational factors. These spot rates are set out in appendices A to D and will be uplifted annually.

60. Remuneration committees should ensure that the appropriate spot rate is applied to individual posts.

61. In SpHAs, remuneration committees should ensure that the rate for the chief executive post is within the range for their organisational grouping, and that the rate for the executive directors and other second level director posts are set as a percentage of the mid point of the chief executive pay range, taking account of the benchmarks across

the sector and the wider NHS. Overall, the basic rates for the executive directors should average no more than 65% of the *mid point of the chief executive pay range*.

Recruitment and Retention Premia

62. Remuneration committees may consider the need for paying a Recruitment or Retention Premium. Their decisions should be informed by the guidance at paragraphs 36-40 above. Any recommendation to pay a Recruitment or Retention Premia must be approved by the grandparent organisation (see paragraphs 65 and 66 below).

Development Pay for Executive Directors

63. Remuneration committees may consider the option of placing a newly appointed executive director onto Development Pay, as set out in paragraphs 33–35 above. Any recommendation to place a newly appointed executive director onto development pay must be informed by a clear business case and approved by the grandparent organisation (see paragraphs 65 and 66 below).

Performance bonus scheme

64. The remuneration committee of each organisation is responsible for reviewing annual performance reports and recommendations for individual VSMs, and for proposing the category of award – A, B, C or D (see paragraphs 46-53 above).

The role of the 'grandparent' organisation

65. Within each organisation, the remuneration committee is responsible for advising the Board and making recommendations. Decisions made by the Board will be subject to the approval of the 'grandparent' organisation.

66. The relationships are as set out in the table below. These arrangements may be subject to review in the longer term. New guidance for remuneration committees, to be issued early in 2009/10, will include clarification of the roles and responsibilities of ‘grandparent’ organisations.

Very Senior Manager		**Grandparent**
SHA Chief Executive	SHA RC makes recommendations to SHA Board	Department of Health
SHA Executive directors (including second level VSMs)	SHA RC makes recommendations to SHA Board	Department of Health
SpHA Chief Executive	SpHA makes recommendations to SpHA Board RC	Department of Health - ALB and National Programmes Pay and Performance oversight committee
SpHA Executive directors (including second level VSMs)	SpHA RC makes recommendations to SpHA Board	Department of Health - ALB and National Programmes Pay and Performance oversight committee
PCT Chief Executive	PCT RC makes recommendations to PCT Board	SHA
PCT Executive directors (including second level VSMs)	PCT RC makes recommendations to PCT Board	SHA
Ambulance Trust Chief Executive	AT RC makes recommendations to AT Board	SHA
Ambulance Trust Executive directors (including second level VSMs)	AT RC makes recommendations to AT Board	SHA

Migration

67. The timetable for moving onto this new VSM Pay Framework varies for different types of organisation, and is as follows.

Strategic Health Authorities

68. Chief executives who secure posts in the new strategic health authorities (establishment date 1st July 2006) will move onto this VSM Pay Framework with an effective date of 1st July 2006.

69. Executive directors (and second level VSMs) appointed to the new strategic health authorities will move onto this VSM Pay Framework with an effective date of 1st July 2006 or from the date of their appointment if this is after 1st July 2006.

Special Health Authorities

70. Advice on migration has been issued separately for special health authorities. All new appointments to chief executive and executive director posts in SpHAs from 1st September 2007 should be on this VSM Pay Framework (this allows a transition period from July 2007 to August 2007 where appointment processes may already be underway).

71. Special health authorities should achieve the requirement for their executive director posts to average 65% of the *mid point of the chief executive pay range* for their organisational grouping by the end of the ALB Change Programme (2008/9).

Primary Care Trusts

72. Chief executives who secure posts in **reconfigured** PCTs (establishment date 1st October 2006) will move onto this Pay Framework with an effective date of 1st October 2006 or from the date of their appointment if this is after 1st October 2006.

73. As executive directors (and second level VSMs) appointments are made in **reconfigured** PCTs these will be on this Pay Framework with an effective date of 1st October 2006 or from the date of their appointment if this is after 1st October 2006.

74. Very senior managers who transfer into **reconfigured** PCTs from predecessor organisations will remain on their existing pay arrangements unless and until they secure a post in the new organisational structure.

75. Very senior managers in **unreconfigured** PCTs **whose organisations meet the Fitness for Purpose standard** are expected to go onto this Pay Framework either from 1st October 2006, or from the date of confirmation that they meet the standard if this is after 1st October 2006.

Ambulance Trusts

76. Chief executives who secure posts in the new ambulance trusts (establishment date 1st July 2006) will move onto this Pay Framework with an effective date of 1st July 2006, with the exception of those at paragraph 78.

77. Executive directors (and second level VSMs) appointed to the new ambulance trusts will move onto this Pay Framework with an effective date of 1st July 2006 or from the date of their appointment if this is after 1st July 2006, with the exception of those at paragraph 78.

78. Chief executives and executive directors (and second level VSMs) of London Ambulance Service NHS Trust and Great Western Ambulance Service NHS Trust will move onto this Pay Framework with an effective date of 1st April 2006. This Pay Framework will not apply to Staffordshire Ambulance Service NHS Trust.

Pay Protection

79. All NHS employers should have in place local protection agreements. These policies set out arrangements for safeguarding the pay and conditions of service of individual staff adversely affected by organisational change, as an alternative to redundancy or early retirement. This may involve maintaining earnings for a period of time even though staff have moved to a job with a lower salary level.

80. Employers will be expected to invoke local pay protection policies where appropriate and cost-effective.

81. Where pay protection is applied, it applies to the individual post holder and does not affect the spot rate for the post.

Standard Contract and Code of Conduct

82. NHS Employers has produced a standard contract for very senior managers, incorporating the Code of Conduct for NHS Senior Managers. This has been distributed via SHA HR leads – see list at Appendix H.

Contacts

83. Except in special health authorities, SHA HR Leads will provide advice on the application of this Guidance. A list of contacts is provided at Appendix H. For special health authorities, guidance on the application of this framework as it applies to them will be provided by the ALB and National Programmes Pay and Oversight Committee, contact details of which are also included in Appendix H.

Appendix A

Pay for Strategic Health Authority Chief Executives

The pay range for chief executives in strategic health authorities is shown on the table below, which identifies the spot rate salary in each band.

The organisational weighting factor used for the banding is weighted population –i.e. resident population, weighted for age and deprivation – with an additional premium for London.

	Weighted population	**Salary from 1st April 2009**
Band One	Up to 4 million	£161,091
Band Two	4 to 7 million	£171,831
Band Three	Over 7 million	£182,570
London		£204,048

Strategic health authorities by band are as follows:

Band One: North East SHA; South East Coast SHA

Band Two: Yorkshire & the Humber SHA; East Midlands SHA; West Midlands SHA; East of England SHA; South Central SHA; South West SHA

Band Three: North West SHA

Appendix B

Pay for Special Health Authority Chief Executives

The pay range for chief executives in special health authorities is shown on the table below, which identifies the pay range minimum and maximum for each group.

	Pay Range from 1st April 2009	
	From	*To*
Group One	£162,878	£183,894
Group Two	£141,861	£162,878
Group Three	£ 99,829	£141,861

Appendix C

Pay for Primary Care Trust Chief Executives

The pay range for chief executives in primary care trusts is shown on the table below, which identifies the spot rate salary in each band.

The organisational weighting factor used for the banding is weighted population –i.e. resident population, weighted for age and deprivation.

	Weighted population	**Salary from 1st April 2009**
Band One	Up to 150k	£105,315
Band Two	150-300k	£116,401
Band Three	300-500k	£127,486
Band Four	500k-1m	£138,571
Band Five	Over 1m	£149,657

PCTs by banding are shown below:

NEW PCT NAMES	NEW PCT Age/Need Weighted Population	NEW PCT Band
Ashton, Leigh and Wigan	343,860	Band 3
Barking and Dagenham	185,461	Band 2
Barnet	278,459	Band 2
Barnsley	276,619	Band 2
Bassetlaw	113,736	Band 1
Bath and North East Somerset	160,621	Band 2
Bedfordshire	347,194	Band 3
Berkshire East Teaching	305,054	Band 3
Berkshire West	350,424	Band 3
Bexley Care Trust	193,418	Band 2
Birmingham East and North	451,406	Band 3
Blackburn with Darwen Teaching	178,866	Band 2
Blackpool	179,202	Band 2
Bolton	297,899	Band 2
Bournemouth and Poole Teaching	333,035	Band 3
Bradford and Airedale Teaching	539,544	Band 4
Brent Teaching	272,957	Band 2
Brighton and Hove City Teaching	269,583	Band 2

NEW PCT NAMES	NEW PCT Age/Need Weighted Population	NEW PCT Band
Bristol Teaching	405,571	Band 3
Bromley	264,479	Band 2
Buckinghamshire	388,889	Band 3
Bury	187,995	Band 2
Calderdale	201,035	Band 2
Cambridgeshire	457,730	Band 3
Camden	230,308	Band 2
Central Lancashire	465,903	Band 3
City and Hackney Teaching	264,774	Band 2
Cornwall and Isles of Scilly	564,475	Band 4
County Durham	599,473	Band 4
Coventry Teaching	346,805	Band 3
Croydon	299,977	Band 2
Cumbria	477,946	Band 3
Darlington	105,343	Band 1
Derby City	279,621	Band 2
Derbyshire County	702,288	Band 4
Devon	733,838	Band 4
Doncaster	342,152	Band 3
Dorset	385,812	Band 3
Dudley	307,946	Band 3
Ealing	296,551	Band 2
East and North Hertfordshire	464,747	Band 3
East Cheshire	413,698	Band 3
East Lancashire	411,119	Band 3
East Riding of Yorkshire	290,385	Band 2
East Sussex Downs and Weald	326,345	Band 3
Eastern and Coastal Kent Teaching	730,825	Band 4
Enfield	256,560	Band 2
Gateshead	236,631	Band 2
Gloucestershire	527,548	Band 4
Great Yarmouth and Waveney Teaching	248,755	Band 2
Greenwich Teaching	246,014	Band 2
Halton and St Helens	357,044	Band 3
Hammersmith and Fulham	171,646	Band 2
Hampshire	1,070,324	Band 5
Haringey Teaching	242,684	Band 2
Harrow	170,069	Band 2
Hartlepool	111,673	Band 1
Hastings and Rother	195,136	Band 2
Havering	227,096	Band 2
Heart of Birmingham Teaching	340,057	Band 3
Herefordshire	173,681	Band 2
Heywood, Middleton and Rochdale	239,078	Band 2
Hillingdon	212,574	Band 2
Hounslow	201,125	Band 2
Hull Teaching	305,052	Band 3
Isle of Wight Healthcare	156,515	Band 2
Islington	206,199	Band 2
Kensington and Chelsea	172,127	Band 2
Kingston	131,154	Band 1

NEW PCT NAMES	NEW PCT Age/Need Weighted Population	NEW PCT Band
Kirklees	391,384	Band 3
Knowsley	206,741	Band 2
Lambeth	289,289	Band 2
Leeds	739,444	Band 4
Leicester City Teaching	327,666	Band 3
Leicestershire County and Rutland	552,713	Band 4
Lewisham	254,668	Band 2
Lincolnshire Teaching	712,404	Band 4
Liverpool	618,054	Band 4
Luton Teaching	177,460	Band 2
Manchester	611,899	Band 4
Medway Teaching	241,227	Band 2
Mid Essex	295,721	Band 2
Middlesbrough	218,854	Band 2
Milton Keynes	194,381	Band 2
Newcastle	308,828	Band 3
Newham	304,671	Band 3
Norfolk	711,756	Band 4
North East Essex	315,994	Band 3
North East Lincolnshire	173,111	Band 2
North Lancashire	392,667	Band 3
North Lincolnshire	160,179	Band 2
North Somerset	187,438	Band 2
North Staffordshire	211,650	Band 2
North Tyneside	225,679	Band 2
North Yorkshire and York	702,140	Band 4
Northamptonshire Teaching	549,268	Band 4
Northumberland Care Trust	325,712	Band 3
Nottingham City	322,498	Band 3
Nottinghamshire County Teaching	634,440	Band 4
Oldham	255,560	Band 2
Oxfordshire	521,499	Band 4
Peterborough	197,239	Band 2
Plymouth Teaching	261,619	Band 2
Portsmouth City Teaching	182,963	Band 2
Redbridge	211,670	Band 2
Redcar and Cleveland	109,376	Band 1
Richmond and Twickenham	139,221	Band 1
Rotherham	276,839	Band 2
Salford Teaching	273,545	Band 2
Sandwell	352,623	Band 3
Sefton	314,785	Band 3
Sheffield	568,901	Band 4
Shropshire County	275,114	Band 2
Solihull	186,635	Band 2
Somerset	502,860	Band 4
South Birmingham	368,069	Band 3
South East Essex	320,517	Band 3
South Gloucestershire	197,678	Band 2
South Staffordshire	541,842	Band 4
South Tyneside	187,513	Band 2

NEW PCT NAMES	NEW PCT Age/Need Weighted Population	NEW PCT Band
South West Essex Teaching	365,927	Band 3
Southampton City	235,320	Band 2
Southwark	269,683	Band 2
Stockport	274,864	Band 2
Stockton-on-Tees Teaching	196,077	Band 2
Stoke on Trent Teaching	304,752	Band 3
Suffolk	536,674	Band 4
Sunderland Teaching	338,468	Band 3
Surrey	845,666	Band 4
Sutton and Merton	315,396	Band 3
Swindon	169,940	Band 2
Tameside and Glossop	251,019	Band 2
Telford and Wrekin	162,773	Band 2
Torbay Care Trust	167,397	Band 2
Tower Hamlets	250,676	Band 2
Trafford	209,432	Band 2
Wakefield	370,011	Band 3
Walsall Teaching	284,113	Band 2
Waltham Forest	230,793	Band 2
Wandsworth Teaching	241,718	Band 2
Warrington	189,884	Band 2
Warwickshire	477,478	Band 3
West Cheshire	242,251	Band 2
West Essex	230,075	Band 2
West Hertfordshire	445,375	Band 3
West Kent	569,256	Band 4
West Sussex Teaching	715,041	Band 4
Westminster	213,566	Band 2
Wiltshire	386,065	Band 3
Wirral	372,519	Band 3
Wolverhampton City	279,874	Band 2
Worcestershire	508,031	Band 4

Appendix D

Pay for Ambulance Trust Chief Executives

The pay range for chief executives in ambulance trusts is shown on the table below, which identifies the spot rate salary in each band. See paragraphs 76-78 for details of which ambulance trusts will transfer to these arrangements and when.

The organisational weighting factors used for the banding (to determine individual spot rate salaries) are 'Expenditure on Emergency Services' (£s) and 'Activity' (number of 999 calls received). Each of these measures has been aggregated for the new ambulance trusts using 2004/05 data from the previous 31 ambulance trusts. Each measure has been indexed (ie 'AT total' / 'England Mean'), and the two index values averaged again to arrive at a composite index centred around 1.

	Salary from 1st April 2009
Band One	£112,764
Band Two	£121,355
Band Three	£128,873
London	£150,351

Ambulance services by band are as follows:

Band One: South West; North East; Great Western
Band Two: South East Coast ; West Midlands; East Midlands; South Central
Band Three: North West; East of England; Yorkshire
Band Four: London

Appendix E –Pay Rates

Pay for chief executives, executive directors and other second level very senior managers

Strategic Health Authorities

SHA Directors	Percentage of Chief Executive's Basic Pay
▪ Finance†	**75 %**
▪ HR & Workforce Development† ▪ Performance† ▪ Commissioning* ▪ Strategy* ▪ Provider functions*	**70 %**
▪ Nursing† ▪ Communications and Public Affairs*	**65 %**
▪ IM&T†	**60 %**
▪ Corporate Affairs†	**55 %**

† Standard national job descriptions were issued for these roles in 2006.
* As the new structure has emerged these roles have been created based on a comparison of functions (see Annex H for common features of the roles).

SHAs 2009-10 Rates

			2 Up to 4M **SHA Band 1**	6 4M to 7M **SHA Band 2**	1 Over 7M **SHA Band 3**	1 London **SHA London Band**
	Weighted Population:					
SHA Chief Executive SPOT RATE		**Apr 09 Rates**	**161,091**	**171,831**	**182,570**	**204,048**
SHA Directors	**% of CE**					
Finance	**75%**		**120,818**	**128,873**	**136,928**	**153,036**
HR & Workforce Development Performance Commissioning Strategy Provider Functions	**70%**		**112,764**	**120,282**	**127,799**	**142,834**
Nursing Communications and Public Affairs	**65%**		**104,709**	**111,690**	**118,671**	**132,631**
IM&T	**60%**		**96,655**	**103,099**	**109,542**	**122,429**
Corporate Affairs	**55%**		**88,600**	**94,507**	**100,414**	**112,226**

Special Health Authorities

Current relativities of known roles in the sector

SpHA Directors	Percentage of mid point of Chief Executive pay range
▪ Finance	**65 – 75 %**
▪ HR & Workforce Development	**55 – 75 %**
▪ IM&T	**60 %**

SPHAs 2009-10 Rates

			SpHA Group 1		SpHA Group 2		SpHA Group 3	
			from	to	from	to	from	to
SpHA Chief Executive Basic Pay		*Apr 09 Rates*	*162,878*	*183,894*	*141,861*	*162,878*	*99,829*	*141,861*
		CE's mid point	**173,386**		**152,370**		**120,845**	
SpHA Directors Benchmark Spot Rates	**% of CE**							
Finance	**75%**		**130,040**		**114,277**		**90,634**	
HR & Workforce Development	**70%**		**121,370**		**106,659**		**84,592**	
IM&T	**60%**		**104,032**		**91,422**		**72,507**	

Primary Care Trusts

PCT Directors	Percentage of Chief Executive's Basic Pay
▪ Finance	75 %
▪ Public Health	70 %
▪ Commissioning ▪ Nursing ▪ Operations ▪ Performance ▪ Planning	65 %
▪ Human Resources ▪ IM&T	60 %
▪ Corporate Affairs	55 %

PCTs 2009-10 Rates

		Weighted Population:	Up to 150k	150k to 300k	300k to 500k	500k to 1M	Over 1M
			PCT Band 1	PCT Band 2	PCT Band 3	PCT Band 4	PCT Band 5
PCT Chief Executive SPOT RATE		**Apr 09 Rates**	**105,315**	**116,401**	**127,486**	**138,571**	**149,657**
PCT Directors	% of CE						
Finance	**75%**		**78,986**	**87,301**	**95,615**	**103,928**	**112,243**
Public Health	**70%**		**73,721**	**81,481**	**89,240**	**97,000**	**104,760**
Commissioning Nursing Operations Performance Planning	**65%**		**68,455**	**75,661**	**82,866**	**90,071**	**97,277**
Human Resources IM&T	**60%**		**63,189**	**69,841**	**76,492**	**83,143**	**89,794**
Corporate Affairs	**55%**		**57,923**	**64,021**	**70,117**	**76,214**	**82,311**

Ambulance Trusts

AT Directors	Percentage of Chief Executive's Basic Pay
▪ Finance	**75 %**
▪ Operations	**70 %**
▪ Human Resources	**60 %**

Ambulance Trusts 2009-10 Rates

Banding by Emergency Expenditure and Activity:

			AT Band 1	AT Band 2	AT Band 3	AT Band 4
AT Chief Executive SPOT RATE		**Apr 09 Rates**	**112,764**	**121,355**	**128,873**	**150,351**
AT Directors	% of CE					
Finance	**75%**		**84,573**	**91,016**	**96,655**	**112,763**
Operations	**70%**		**78,935**	**84,949**	**90,211**	**105,246**
Human Resources	**60%**		**67,658**	**72,813**	**77,324**	**90,211**

Appendix F

Pay for Directors with Broad Remits

1. The Pay Framework provides for additional payments for additional responsibilities. It was intended that this provision would be used to remunerate VSMs who took on significant responsibilities outside their core role – eg work at a national level.

2. However, Additional payments can also be made under this provision to remunerate directors who take on roles with a broad remit, where the additional work forms part of the core objectives.

3. In order to ensure consistency and equity in the level of additional payments applied, it is recommended that remuneration committees consider applying additional payments (where appropriate) as follows:

   - between 5-10% of salary where one or more of the added roles would normally be regarded as a heavyweight role in its own right (a useful test might be that the board has given serious consideration to making that a separate role at board level) or where several substantive portfolios are being combined

   - between 1%-5% where the added role is unlikely to be seriously considered as a separate board level appointment on its own.

4. Remuneration committees should also consider whether their recommendation in each case leaves room for future combined appointments to be positioned appropriately.

5. Remuneration Committees should document and record the reasons for their decisions.

6. Additional Payment made to an individual in recognition of a broad remit role, where the additional work forms part of the core objectives, is both pensionable and reckonable for performance bonus calculations.

Appendix G

Common features of ‘New’ SHA director roles

Grouping	Common features	Spot rate, set at % of CE basic pay
Commissioning	See national portfolio description	70%
Communications and Public Affairs	▪ Corporate services/business/affairs ▪ Public affairs function ▪ Strategic communications/reputation management ▪ Parliamentary business ▪ Patient/public/stakeholder engagement and involvement	65%
Provider functions	See national portfolio description	70%
Strategy	▪ System reform ▪ Market management/development ▪ Alternative models of provision/provider-commissioner relationships ▪ Major change/service reconfiguration/transformation ▪ Strategic framework for health care ▪ Strategic overview & leadership of local NHS ▪ Development/use of intelligence and information: benchmarking, spreading best practice (two explicitly include link to NHS Institute for Innovation & Improvement) ▪ Ensuring that SHA and PCTs are fit for purpose	70%

Notes:

This table shows the **common core roles** for each grouping: for the other roles listed in the VSM pay framework at Annex E, standard national job descriptions were issued in 2006.

Where a post has a broader remit beyond this, SHAs may wish to consider an additional payment.

Where a post has a similar title, but does not include all the core elements (ie is not the same post), SHAs may wish to propose a lower rate.

Reasons for SHA proposals should be documented and provided to the grandparent.

Appendix H

Strategic Health Authority HR Leads

HR Lead
North West
Jo Rafferty jo.rafferty@northwest.nhs.uk North West Strategic Health Authority 7th Floor Gateway House Piccadilly South Manchester M60 7LP 0161 625 7222 Mob 07810 752891
West Midlands
Annette Judges annette.judges@westmidlands.nhs.uk West Midlands Strategic Health Authority St Chad's Court 213 Hagley Road Edgbaston Birmingham B16 9RG 0121 695 2490 Mob 07973 531354
South West
Andrew Millward andrew.millward@southwest.nhs.uk South West Strategic Health Authority South West House Blackbrook Park Avenue Taunton Somerset TA1 2PX 01823 361360

North East
Rob White rob.white@northeast.nhs.uk North East Strategic Health Authority Riverside House The Waterfront Goldcrest Way Newburn Riverside Newcastle Upon Tyne NE15 8NY 0191 210 6448
East of England
Neil Sellen neil.sellen@eoe.nhs.uk East of England Strategic Health Authority Victoria House Capital Park Fulbourn Cambridge CB1 5XB 01245 397756
East Midlands
Miriam Orton miriam.orton@eastmidlands.nhs.uk East Midlands Strategic Health Authority Octavia House Interchange Business Park Bostocks Lane Sandiacre Nottingham NG10 5QG 0115 968 4512
South East Coast
Carmel Martin carmel.martin@sec.nhs.uk South East Coast Strategic Health Authority York House 18-20 Massetts Road Horley Surrey RH6 7DE 01293 778899

South Central
Liz Perry liz.perry@southcentral.nhs.uk South Central Strategic Health Authority First Floor Rivergate House Newbury Business Park London Road Newbury Berkshire RG14 2PZ 01635 275604
Yorkshire and The Humber
Rebecca.Smith rebecca.smith@yorksandhumber.nhs.uk Yorkshire and The Humber Strategic Health Authority Blenheim House West One Duncombe Street Leeds LS1 4PL 0113 295 2033
London
Maria Robson maria.robson@london.nhs.uk London Strategic Health Authority Southside 105 Victoria Street London SW1E 6QT 020 7932 3767
Special Health Authorities
ALB and National Programmes Pay and Performance Oversight Committee Greg Gleeson Greg.gleeson@dh.gsi.gov.uk 020 7972 3781