Gateway Ref: 6924

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

Contents

Introduction

1. The Very Senior Managers' Pay Framework introduces new 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) with the organisational changes arising between now and 2008 as part of the ALB Change programme

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 medical directors and directors of public health
- 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. Medical Directors and Directors of Public Health will continue to be employed on their existing arrangements.

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 will be 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. The spot rate salary for an individual chief executive is determined using an organisational weighting factor.

14. 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 for 2006/07 is shown at Appendix A, 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 – ie resident population, weighted for age and deprivation.

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

Special Health Authority Chief Executives

18. The proposed pay ranges for special health authority chief executives for 2006/07 will be aligned to arrangements for SHA and PCT chief executives, and will be published by the end of September 2006. These ranges will be shown in Appendix B and are likely to be in three bands.

19. The organisational weighting factor that will be used for the banding to determine individual spot rate salaries will be a combination of current income and impact.

20. Appendix B will be added at a later date, once the ranges are agreed, and 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 for 2006/07 is shown at Appendix C, 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 – ie resident population, weighted for age and deprivation.

23. This Appendix 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 for 2006/07 is shown at Appendix D, 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. This Appendix 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. 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.

30. The percentages range from 55% to 75% depending on role and organisation. The percentage levels of pay for some of the executive director roles in each type of organisation are shown in Appendix E. This covers executive director roles that are common across organisation types. National standard portfolio descriptions have been agreed for most of these common roles and it is important that there is consistency in pay for such roles. As new structures emerge, there may be other executive director roles that are common across an organisation type. In such cases, the appropriate level of pay will be determined and added to this guidance.

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 with regard to the rates set out in Appendix E.

32. For executive directors in special health authorities, the same percentage ranges will apply, but it is not anticipated that there will be national job descriptions, given the range and complexity of the services delivered by special health authorities at a national level. 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%-75%. Where the proposed percentage level of pay is different to that for the executive director roles with a national portfolio description, special health authorities will be expected to submit a business case to their sponsor branch in the Department of Health to support the proposed level of pay.

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 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 58-65 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. 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. A total cumulative limit of 10% of basic salary applies to payments for additional responsibilities – ie this is the maximum amount, not the amount for each additional responsibility.

44. The employer may choose that additional payments be pensionable, but the payments would not form part of basic pay for the purpose of calculating other payments (eg performance bonuses).

Annual Uplifts and Performance Bonus Scheme

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

46. 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 (lower than A)
C	Satisfactory	annual uplift, consolidated into salary
D	Not satisfactory	No increase

47. 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 the Department of Health. 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

48. The annual uplift will be applied to the basic rate for each post – ie the salary values for each post will be revalorised annually.

49. 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.

50. 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

51. Those in Categories A and B will receive, in addition to the annual uplift, a bonus payment at one of two levels (A and B), provided the essential criterion is met – ie 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 values of these payments will be determined annually. (See paragraphs 54 and 55).

Category D performers

52. 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 – ie 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.

53. Further guidance will be issued on the process for determining performance awards. This will be in the context of national and local organisational performance criteria as set out in Appendix F.

Process for determining the value of annual uplifts and bonuses

54. The level of annual uplift and the value of performance bonuses will be determined annually. For 2007/08, the Department will set these with regard to the outcome of Pay Review Body recommendations for other senior staff groups.

55. Beyond this, once the new VSM pay arrangements have been fully implemented across all the organisations to which they apply, the Senior Salaries Review Body may be remitted to make recommendations for future years.

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 paragraphs 80-81), 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.

Determining basic salary

59. This VSM Pay Framework sets out the basic salary for chief executives and executive directors in each type of organisation. 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.

Recruitment and Retention Premia

61. 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 64 and 65 below).

Development Pay for Executive Directors

62. 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 paragraph 65, below).

Performance bonus scheme

63. 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 45-53).

The role of the 'grandparent' organisation

64. 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.

65. The relationships are as set out in the table below. These arrangements may be subject to review in the longer term.

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
SpHA Executive directors (including second level VSMs)	SpHA RC makes recommendations to SpHA Board	Department of Health
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

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

Strategic Health Authorities

67. 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.

68. 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

69. Advice on migration will be issued when the new pay arrangements for SpHAs are published.

Primary Care Trusts

70. 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.

71. 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.

72. 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.

73. 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

74. 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 76.

75. 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 76.

76. 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

77. 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.

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

79. 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

80. NHS Employers will publish a standard contract for very senior managers, which will incorporate the Code of Conduct for NHS Senior Managers. This contract will apply to all very senior managers who move onto the VSM Pay Framework.

81. The contract will be published at www.nhsemployers.org.

Contacts

82. SHA HR Cluster Leads will provide advice on the application of this Guidance. A list of contacts is provided at Appendix G.

Appendix A

Pay for Strategic Health Authority Chief Executives

The pay range for chief executives in strategic health authorities for 2006/07 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 – ie resident population, weighted for age and deprivation – with an additional premium for London.

	Weighted population	**Salary from 1st July 2006**	**Salary from 1st Nov 2006**
Band One	Up to 4 million	£151,500	£153,300
Band Two	4 to 7 million	£161,600	£163,520
Band Three	Over 7 million	£171,700	£173,740
London		£191,900	£194,180

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 if England SHA; Soutn Central SHA; South West SHA

Band Three: North West SHA

Appendix B

Pay for Special Health Authority Chief Executives

[This section will be added at a later date]

Appendix C

Pay for Primary Care Trust Chief Executives

The pay range for chief executives in primary care trusts for 2006/07 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 – ie resident population, weighted for age and deprivation.

	Weighted population	**Salary from 1st October 2006**	**Salary from 1st Nov 2006**
Band One	Up to 150k	£ 99,044	£100,221
Band Two	150-300k	£109,470	£110,771
Band Three	300-500k	£119,896	£121,320
Band Four	500k-1m	£130,322	£131,870
Band Five	Over 1m	£140,747	£142,420

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 for 2006/07 is shown on the table below, which identifies the spot rate salary in each band. See paragraphs 74-76 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 July 2006	**Salary from 1st Nov 2006**
Band One	£106,050	£107,310
Band Two	£114,130	£117,486
Band Three	£121,200	£122,640
London	£141,400	£143,080

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 for 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	**70 %** **70 %**
IM&T	**60 %**
Corporate Affairs	**55 %**

SHAs 2006-07 Rates

	Weighted Population:		Up to 4M	4M to 7M	Over 7M	London
			SHA Band 1	**SHA Band 2**	**SHA Band 3**	**SHA Band 4**
SHA Chief Executive Basic Pay		**Jul 06 Rates**	**151,500**	**161,600**	**171,700**	**191,900**
		Nov 06 Rates	*153,300*	*163,520*	*173,740*	*194,180*
SHA Directors	**% of CE**					
		Jul 06 Rates	**113,625**	**121,200**	**128,775**	**143,925**
Finance	**75%**	*Nov 06 Rates*	*114,975*	*122,640*	*130,305*	*145,635*
		Jul 06 Rates	**106,050**	**113,120**	**120,190**	**134,330**
HR & Workforce Development Performance	**70%**	*Nov 06 Rates*	*107,310*	*114,464*	*121,618*	*135,926*
		Jul 06 Rates	**90,900**	**96,960**	**103,020**	**115,140**
IM&T	**60%**	*Nov 06 Rates*	*91,980*	*98,112*	*104,244*	*116,508*
		Jul 06 Rates	**83,325**	**88,880**	**94,435**	**105,545**
Corporate Affairs	**55%**	*Nov 06 Rates*	*84,315*	*89,936*	*95,557*	*106,799*

Primary Care Trusts

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

PCTs 2006-07 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 Basic Pay		**Oct 06 Rates**	**99,044**	**109,470**	**119,896**	**130,322**	**140,747**
		Nov 06 Rates	*100,221*	*110,771*	*121,320*	*131,870*	*142,420*
PCT Directors	**% of CE**						
		Oct 06 Rates	**74,283**	**82,103**	**89,922**	**97,742**	**105,560**
Finance	**75%**	*Nov 06 Rates*	*75,166*	*83,078*	*90,990*	*98,903*	*106,815*
		Oct 06 Rates	**64,379**	**71,156**	**77,932**	**84,709**	**91,486**
Commissioning Operations Performance Planning	**65%**	*Nov 06 Rates*	*65,144*	*72,001*	*78,858*	*85,716*	*92,573*
		Oct 06 Rates	**59,426**	**65,682**	**71,938**	**78,193**	**84,448**
Human Resources IM&T	**60%**	*Nov 06 Rates*	*60,133*	*66,463*	*72,792*	*79,122*	*85,452*
		Oct 06 Rates	**54,474**	**60,209**	**65,943**	**71,677**	**77,411**
Corporate Affairs	**55%**	*Nov 06 Rates*	*55,122*	*60,924*	*66,726*	*72,529*	*78,331*

Ambulance Trusts

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

Ambulance Trusts

2006-07 Rates

Banding by Emergency Expenditure and Activity:

			AT Band 1	AT Band 2	AT Band 3	AT Band 4
AT Chief Executive Basic Pay		**Jul 06 Rates**	**106,050**	**114,130**	**121,200**	**141,400**
		Nov 06 Rates	*107,310*	*117,486*	*122,640*	*143,080*
AT Directors	**% of CE**					
		Jul 06 Rates	**79,538**	**85,598**	**90,900**	**106,050**
Finance	**75%**	*Nov 06 Rates*	*80,483*	*88,115*	*91,980*	*107,310*
		Jul 06 Rates	**74,235**	**79,891**	**84,840**	**98,980**
Operations	**70%**	*Nov 06 Rates*	*75,117*	*82,240*	*85,848*	*100,156*
		Jul 06 Rates	**63,630**	**68,478**	**72,720**	**84,840**
Human Resources	**60%**	*Nov 06 Rates*	*64,386*	*70,492*	*73,584*	*85,848*

Appendix F

National and local organisational performance criteria

National context

The national context – for organisational performance - is set out in central guidance and reflected in local plans.

Examples are:

- the high-level national Public Sector Agreement (PSA) targets;
- the NHS Operating Framework - for 2006/07 this set out an agenda with a particular focus on:
  - achieving robust financial health
  - pushing forward implementation of reform and
  - achieving the six specific service priorities derived from the Planning and Priorities Framework (health inequalities; cancer waits; 18 week maximum wait; MRSA; patient choice & booking; and sexual health/GUM); and
- local delivery plan measures for the NHS - for the years 2005/06 to 2007/08 these were set out in National Standards, Local Action, published in July 2004

It is an essential criterion of the performance bonus scheme that the organisation achieves its financial control target as agreed with the Department of Health.

Local/individual criteria

The criteria against which an individual's performance is judged should be:

- linked to national, local and individual organisational objectives, as expressed in PSA targets, local delivery plans and the Operating Framework
- within the sphere of influence of the individual
- objectively measurable

Appendix G

Strategic Health Authority HR Leads

HR Lead
North West
Jo Rafferty Jo.rafferty@cmha.nhs.uk Cheshire and Merseyside SHA Quayside Wilderspool Park Greenalls Avenue Stockton Heath WARRINGTON WA4 6HL 01925 406121 Mob 07810 752891
West Midlands
Robert Bott Robert.bott@sasha.nhs.uk Shropshire and Staffordshire SHA Mellor House Corporation Street STAFFORD ST16 3SR 01785 252233
South West
Greg Allen Greg.allen@southwest.nhs.uk NHS South West Directorate of Workforce & Learning Dean Clarke House Southernhay East EXETER EX1 1PQ 01392 678112 Mob 07768 860056

North East

Lyn Simpson
Lyn.simpson@ntwsha.nhs.uk
Northumberland, Tyne and Wear SHA
Riverside House
The Waterfront
Goldcrest Way
Newburn Riverside
NEWCASTLE UPON TYNE NE15 8NY
0191 210 6400

Michelle McGuigan
michelle.mcguigan@ntwsha.nhs.uk
Northumberland, Tyne and Wear SHA
Riverside House
The Waterfront
Goldcrest Way
Newburn Riverside
NEWCASTLE UPON TYNE NE15 8NY
0191 210 6400

East of England

David Wherrett
David.wherrett@nscsha.nhs.uk
Norfolk, Suffolk & Cambridgeshire SHA
Victoria House
Capital Park
Fulbourn
CAMBRIDGE CB1 5XB
CB1 5XB
01223 597690

East Midlands

Anne Marlow
Anne.marlow@lnrwdc.nhs.uk
Leicester, Northamptonshire & Rutland SHA
Lakeside House
4 Smith Way
Grove Park
Enderby
LEICESTER LE19 1SS
0116 295 7500

South East Coast
Carmel Martin Carmel.martin@kentmedway.nhs.uk Kent & Medway SHA Preston Hall London Road British Legion Village AYLESFORD Kent ME20 7NJ 01622 713183
South Central
Denis Gibson Denis.Gibson@hants-wdc.co.uk Hampshire and Isle of Wight SHA Workforce Development Directorate Highcroft Romsey Road WINCHESTER Hampshire SO22 5DH 01962 893740
Yorkshire and The Humber
Paul Harrison Paul.Harrison@sysha.nhs.uk South Yorkshire SHA Don Valley House Savile Street East Sheffield S4 7UQ 0114 226 4401
London
Anne Rainsberry Anne.rainsberry@london.nhs.uk 0207 016 9288