



**Q&A for The Pay Framework
for Very Senior Managers in
Arms-Length Bodies (Special
Health Authorities and
Executive Non-Departmental
Public Bodies)**

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Contact Details	Greg Gleeson ALB Business Support Unit Room 286D Skipton House 80 London Road London SE1 6LH 020 7972 3781
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Prepared by DH Workforce Directorate

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Question:

Why is the new ALB VSM pay framework ordinarily applied only to new VSM posts?

Answer:

The new ALB VSM pay framework was developed on the basis that it would be roughly cost neutral in its effect with “gainers” and “losers” being approximately balanced. It was also developed in the context of the pay freeze and other Govt policies aimed at restricting increases in pay. Senior staff need to set an example in pay restraint.

Question:

Will employing staff on different pay frameworks give rise to risks of equal pay claims?

Answer:

The framework advises that, where VSMs in the same employment are employed on different terms and conditions, each ALB should undertake its own equal pay review or audit and, where equal pay risks are identified, seek legal advice on appropriate action. This cannot be done from the centre as the situation will vary from one ALB to another so that each ALB may need to obtain its own legal advice.

Question:

Why is PaPOC being replaced by the new DH remuneration committee?

Answer:

The ALB landscape has undergone very significant change, including the establishment of some new, very large and important national bodies like the NHS Commissioning Board. It was felt that this required a new, stronger committee within DH to fulfil the “grandparent” role for ALBs, with more senior membership and a more important role for non-executive members.

Question:

Why do so many decisions have to be made by the DH remuneration committee – can't ALBs' own remuneration committees be trusted to operate the pay framework fairly?

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Answer:

A balance needs to be struck between maintaining control and consistency and allowing local autonomy and flexibility. This balance will be kept under review and further delegation to local remuneration committees will be considered in the light of experience of operating the framework. HMT gave a firm steer that the framework should start “tight” and some control could be relaxed later if appropriate.

Question:

Isn't the new framework too inflexible for ALBs which have to operate in complex environments and recruit and retain staff in highly competitive labour markets?

Answer:

We do not believe so. The new framework provides a number of significant flexibilities and in the area of PRP delegates more responsibility to local rem coms than the old framework. There is tighter control over RRP payments but in a system based on job evaluation where reward is closely matched to job weight the need for RRP payments should arise much more exceptionally.

Question:

Will the need for some decisions to be referred to the DH remuneration committee result in long delays and jeopardise recruitment exercises?

Answer:

The DH remuneration committee will work on an ad hoc basis and respond urgently to all requests from ALBs.

Question:

Why have ALBs been assessed under both the SSRB evaluation system and the Monks job evaluation scheme – isn't this a duplication of effort?

Answer:

The SSRB evaluation was a Government requirement aimed at achieving greater consistency across the whole range of ALBs for the pay of their chief executives. Under the SSRB evaluation, it is the *organisation* that is evaluated whereas the Monks JES evaluates the

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specific role of the chief executive and other VSMs. The SSRB evaluation results in broad pay bands whereas the JES is much more precisely calibrated in terms of matching pay to job weight. Applying both systems of evaluation has demonstrated their mutual consistency and helped to validate the outcomes.

Question:

Why cannot ALBs undertake their own job evaluations?

Answer:

It is essential that all job evaluations are carried out consistently and impartially across all ALBs and the best way to achieve this is to provide a centralised resource of trained assessors to work with the ALBs' own remuneration committees.

Question:

How can remuneration committee members take part in job evaluation panels when they have not been trained in the job evaluation scheme?

Answer:

ALB remuneration committee members will be advised by trained assessors and will bring their own expert knowledge of the work of the ALB and its VSM roles. We will also train a number of HRDs or equivalents from a cross-section of ALBs so that a pool of trained staff at senior level is available to join appeals panels and advise in the event of disputes over the JES process.

Question:

Why is the NHS Business Services Authority undertaking the trained assessor role?

Answer:

The NHS BSA have a group of staff already trained and experienced in job evaluation who undertake evaluations across the wide range of NHS BSA work areas. They have received full training from PricewaterhouseCoopers in the Monks JES. This arrangement may change in light of the development of the ALB HR shared services function.

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Question:

Why is the framework not more specific about the pay arrangements for staff in senior manager posts requiring GP qualifications?

Answer:

Current pay arrangements for medical directors in e.g. PCTs vary considerably and there is no agreed pay scale for GPs in management roles. The framework suggests that pay could be aligned with that of GP tutors or directors of education but it was considered that this was an area where local discretion to vary terms was desirable.

Question:

Why does the framework make no provision for London weighting or other high cost area supplements?

Answer:

Any form of London weighting added to pay at VSM level would effectively be *de minimis* and there was no case for varying VSM pay at regional level. The framework is being introduced on this basis but the Government has asked the Senior Salaries Review Body to consider how VSM pay can be made more market-facing and adapted to local conditions so the framework is subject to review following recommendations from the SSRB.

Question:

Why is there a range rather than a spot rate?

Answer:

The availability of a range, from which a spot rate may be chosen, provides greater flexibility and enables ALBs to respond better to local market conditions.

Question:

Is the model contract for VSMs being amended?

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Answer:

Yes. The model contract has been reviewed and updated and will continue to be available from NHS Employers and should be tailored, on legal advice, to the needs of individual ALBs.