

DH Pay Framework for Very Senior Managers in Arms-Length Bodies (Special Health Authorities and Executive Non-Departmental Public Bodies)

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DH Pay Framework for Very Senior Managers in Arms-Length Bodies (Special Health Authorities and Executive Non-Departmental Public Bodies)

Prepared by DH Workforce Directorate

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1. Introduction

- 1.1. The current framework for the pay of very senior managers (VSMs) was subject to an independent review and the report (the Wright Review) published in June 2008. The recommendations of the review were accepted, including the central recommendation that the pay of VSMs should be based on a system of job evaluation. PricewaterhouseCoopers (PwC) were commissioned to develop a system that could be applied to VSMs in the relevant bodies (Strategic Health Authorities, Special Health Authorities, Primary Care Trusts and Ambulance Trusts) but this work was put on hold following the publication of the White Paper “Equity and Excellence: Liberating the NHS” and the Health and Social Care Bill which provides for the abolition of PCTs and SHAs.
- 1.2. It was subsequently decided that a new pay framework should be developed for VSMs in all ALBs, both Special Health Authorities (SpHAs) and Executive Non-Departmental Public Bodies (ENDPBs), building on the work already completed by PwC.
- 1.3. This new pay framework has also been developed in the context of the Government’s response to:
 - reports from the Senior Salaries Review Body (SSRB) on senior pay in the public sector which recommended that a more consistent approach was required for senior pay in ENDPBs and recommended the adoption of a common framework which ranks ENDPBs in order of management challenge and which attaches pay ranges for chief executives to that rank order;
 - Will Hutton’s report on fair pay in the public sector which recommended that all public service organisations should adopt a Fair Pay Code which sets out principles that should inform the setting of executive pay; supported by greater transparency and more detailed disclosure of senior pay.
- 1.4. These new arrangements for the pay of VSMs in ALBs have been developed with the help of an executive steering group including ALB representatives and a reference group including non-executive directors or chairs of ALBs, the wider NHS and Managers in Partnership. They have also been approved by the Public Sector Pay Committee.
- 1.5. The VSM pay framework is subject to amendment in light of the SSRB’s report on market facing pay and the Government’s response.

2. Principles

- 2.1. The pay framework is based on the following principles, which are informed by and consistent with the principles set out in the Will Hutton Fair Pay Review:
- executive remuneration should fairly reward each individual's contribution to their organisation's success and should be sufficient to recruit, retain and motivate executives of sufficient calibre. However, organisations should be mindful of the need to avoid paying more than is necessary in order to ensure value for money in the use of public resources;
 - executive remuneration must be set through a process that is based on a consistent framework and independent decision-making based on accurate assessments of the weight of roles and individuals' performance in them;
 - executive remuneration should be determined through a fair and transparent process via bodies that are independent of the executives whose pay is being set, and who are qualified or experienced in the field of remuneration. No individual should be involved in deciding his or her own pay;
 - there should be a coherent approach to senior pay across all ALBs, including all DH SpHAs and ENDPBs;
 - there should be appropriate delegated authority to ALB remuneration committees within a clear framework;
 - executive remuneration must be based on the principle of equal pay for work of equal value.

3. Scope

Organisations

3.1. These arrangements will apply with effect from [insert date] to all new appointments in:

- special health authorities (SpHAs);
- executive non-departmental public bodies (ENDPBs);

unless separate arrangements have been approved in writing by the DH remuneration committee.

3.2. Any ENDPB or SpHA that wishes to propose alternative pay arrangements for its senior staff may apply to the DH remuneration committee for approval of an alternative framework for the pay of VSMs, provided it is consistent with the principles of this framework in terms of transparency, fairness and value for money. HMT and Public Sector Pay Committee approval may also be required.

Primary Care Trusts, Strategic Health Authorities and Ambulance Trusts

3.3. This framework does not apply to PCTs, SHAs or ambulance trusts. These organisations will continue to apply the previous VSM pay framework until such time as they are abolished or (in the case of ambulance trusts) achieve foundation trust status.

Executive Agencies

3.4. Staff in executive agencies will normally be paid on civil service terms and conditions of service. Exceptionally, executive agencies may be permitted to employ staff on their own terms and conditions, which must be compliant with the Civil Service Management Code. In such circumstances, the DH remuneration committee may choose to use this pay framework for VSMs.

3.5. The DH remuneration committee may also choose to use this pay framework in other circumstances as it sees fit.

Staff

- 3.6. This framework will be applied (subject to the migration arrangements set out at paragraphs 15.1 – 15.6) to the following staff in each eligible organisation:
- all chief executives;
 - all executive directors;
 - all senior managers that report directly to the chief executive;
 - other VSM posts in large ALBs where the job weight is such that the ALB's remuneration committee decides that AfC or alternative local pay arrangements are not appropriate. For the avoidance of doubt it is not intended that this should include any posts evaluated which would fall below band 9 on AfC or that it should routinely include senior clinical posts. AfC or the local equivalent system of pay should be applied wherever possible.
- 3.7. The local ALB remuneration committee may decide that these arrangements will not apply to eligible staff for whom the national Consultant Contract for medical or dental staff may be more appropriate. They may also wish to apply alternative arrangements for staff in posts which require GP qualifications (e.g. appointing on the national terms for directors of postgraduate education or GP tutors).
- 3.8. All other senior managers should be paid in accordance with AfC or equivalent local terms where these exist.

4. The Reward Package

4.1. The reward package for VSMS in DH ALBs comprises:

- basic pay: a spot rate salary within the range for the post determined by job evaluation;
- eligibility for an annual performance bonus;
- recruitment and retention premia where appropriate;
- an additional responsibilities payment where appropriate.

5. The SSRB Evaluation System for ENDPBs

- 5.1. The Government has accepted the SSRB's recommendation to establish a common framework for determining the pay of ENDPB chief executives. The SSRB framework is based around an evaluation tool which assesses the scale and complexity of ENDPBs in order to place them in one of six bands, for which there are corresponding chief executive salary ranges. This approach, which has been adopted for all the DH's ALBs, both ENDPBs and SpHAs, is designed to improve fairness and consistency in the pay of chief executives across government departments.
- 5.2. The DH has consulted with the chairs of all ALBs to propose the appropriate banding for their organisation and the pay of their chief executive. The bandings were then reviewed by the DH and will be subject to moderation by the Cabinet Office. The bandings for DH ALBs are detailed at Annex A. These may be reviewed from time to time by the DH remuneration committee, subject to moderation by the Cabinet Office.

6. The Job Evaluation Scheme

- 6.1. The SSRB evaluation system sets a broad range of pay for the chief executive of each ALB. However, the definition of the spot rate within that range was left primarily for local determination in the light of labour market and other considerations. To ensure consistency, the DH has decided that all these posts should be subject to job evaluation. It has therefore developed a dedicated job evaluation scheme (JES) which is based on the analytical points-based factor scheme known as the Monks JES. The definitions within the factor plan have been adapted specifically for VSM roles within the NHS. The Monks JES assesses each job under seven factors; details of these are provided in Annex B.
- 6.2. PwC has evaluated all VSM posts in the existing ALBs and developed ranges of job evaluation points and associated salary ranges. These ranges are set out at Annex C.

Job Evaluation of Posts

- 6.3. It is essential that the evaluations on which VSM pay will be based are expertly undertaken, robust, consistent and subject to processes to ensure their quality is maintained. These criteria can best be met by the JE function being supported by a centralised team of expert assessors. Although these arrangements are subject to change in light of developments in the HR shared services function for ALBs, trained assessors will initially be provided by the NHS Business Services Authority (NHS BSA) on behalf of the DH. All job evaluations carried out under this framework must involve one or more assessors from the NHS BSA.
- 6.4. A job evaluation should be undertaken whenever there is a new job or a substantial and permanent change to an existing job including where a job reduces in weight such that there is a reasonable expectation that the salary should change.
- 6.5. A request for a re-evaluation can be made by the post holder, by the chief executive or by the local remuneration committee. However, the decision about whether a job should be evaluated or re-evaluated rests with the local ALB remuneration committee.
- 6.6. A standard format should be used for providing a job description and any other relevant job information. An exemplar proforma to support this is attached at Annex D.
- 6.7. The job evaluation should be carried out by a job evaluation panel comprising two trained assessors and two members of the remuneration committee of the ALB requesting the evaluation. The job evaluation panel should not include any individual

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whose remuneration falls within the scope of this framework and is employed by the ALB in question.

- 6.8. The initial assessment should be carried out by the trained assessors and discussed and agreed with the other members of the panel. Where agreement cannot be reached, the panel may be re-constituted with different assessors. Where, exceptionally, agreement still cannot be reached, the matter should be referred to the DH remuneration committee whose decision will be final. The job evaluation panel should provide clear written reasons for each aspect of the evaluation. Job holders should receive a copy of the evaluation outcome.
- 6.9. Where the post being evaluated is that of a chief executive, executive director or other board level director reporting directly to the chief executive, the outcome of the job evaluation and proposed remuneration must be referred to the DH remuneration committee for approval (see paragraph 14.1).

Appeals

- 6.10. The job holder should have the right of appeal where s/he believes the facts presented to the panel were incomplete or incorrect or that they have not been properly understood and assessed under the JES. The appeal should be heard by an appeals panel whose decision will be final.
- 6.11. The ALB remuneration committee should establish the appeals panel which should include a different trained assessor and two different ALB remuneration committee members from those involved in the original evaluation. To ensure impartiality, one of the appeals panel members should where possible be a trained assessor from a different ALB.

Quality Assurance

- 6.12. Ultimate responsibility for the ALB VSM pay framework, including the JES, lies with the DH remuneration committee. The DH remuneration committee, taking advice as necessary from the BSA, PwC and others, will ensure that the JES remains fit for purpose, considering any concerns with the JES raised by ALB remuneration committees and agreeing modifications in the design of the scheme or its interpretation.

Flow Chart

6.13. The flow chart at Annex E provides an overview of the JE process, setting out the key stages from the decision to evaluate a post to the completion of the process.

Job Evaluation Handbook

6.14. A complete guide to the JES is contained in the Job Evaluation Handbook which is available at

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_134428

Job Evaluation Contact

6.15. All requests for evaluations should be made via the DH ALB Support Unit at::

- Francesca Della Pietra
Department of Health
Room 3E48
Quarry House
Quarry Hill
Leeds
LS2 7UE
- E-mail: Francesca.dellapietra@dh.gsi.gov.uk
- Tel: 0113 254 6875
- GTN 7513 46875

7. Deciding the Spot Rate

- 7.1. The JE process will identify the appropriate pay range for the job. The ALB, on the advice of its remuneration committee, must then decide the appropriate spot rate within the range, taking into account the prevailing economic climate, local market conditions and the requirement to obtain the best possible value for money. See also paragraph 10 “Development Pay”.

8. Recruitment and Retention Premia

- 8.1. Posts should normally be advertised at the rate appropriate for the job weight as determined in accordance with paragraph 7.1 and Annex C. In exceptional circumstances the ALB remuneration committee may decide to seek approval from the DH ALB Remuneration Committee for an additional Recruitment and Retention Premium (RRP). These circumstances might include:
- where recruitment is required from a specialist field outside ALBs, the NHS or DH and the local remuneration committee is convinced that, on an evidence basis, market pressures would otherwise prevent the employer from being able to recruit and retain staff for a particular post at the normal salary;
 - where the market has been tested by a failed recruitment exercise.
- 8.2. Where it is anticipated that the need to make the additional payment will disappear within 12 months, a short-term RRP should be used. Short-term RRP payments should be reviewed regularly at least once every 6 months. Short-term RRPs are not pensionable and do not count as part of basic pay for any other payments (e.g. do not count as part of the calculation for performance pay).
- 8.3. A long-term RRP may be applied only where there are deep-rooted market conditions that prevent appointment at the normal salary for the post. Such payments should be reviewed regularly, at least annually. These payments are pensionable and will also count for other payments linked to basic pay (e.g. performance bonus payments). Where a review results in a decision to withdraw the RRP, a reasonable period of pay protection in accordance with the ALB's pay protection policy should be applied.
- 8.4. RRP payments should be set as low as possible to secure the necessary skills and experience required in each post. Where the ALB remuneration committee believes that an RRP is required, they must seek prior approval from the DH ALB Remuneration Committee with a clear business case. HMT have delegated authority to the Secretary of State to approve RRP at a maximum of 10% of basic pay (exceptionally more where total pay is less than £142,500). The ALB remuneration committee must also seek prior DH approval for any post which attracts a salary in excess of £142,500, prior to the post being advertised. Chief Secretary to the Treasury (CST) approval may also be required.
- 8.5. Individuals are not entitled to retain their RRP on moving to another post. Moreover, it may not necessarily be paid to the next incoming post holder.

9. Payment for Additional Responsibilities

- 9.1. ALBs may provide additional payments where individuals temporarily take on significant responsibilities outside their core role. Payment should not be made where the period of additional responsibility lasts less than 3 months or in excess of 12 months. Where the period of additional responsibility lasts for more than 12 months, the post should be subject to formal re-evaluation under the JES. Where an additional responsibility payment is made, the maximum amount payable should be 10% of basic pay and the payment should be pensionable.

10. Development Pay

- 10.1. In some cases, an individual may be appointed to develop into a role and it may be appropriate to pay them slightly less than the full rate for the job while they are developing into the role and are not required to fulfil all of the responsibilities of the post. In these circumstances, the ALB remuneration committee may recommend paying a VSM at the lowest point of the range for the post, for a defined period not exceeding 2 years.
- 10.2. It should be noted that this flexibility should be applied only in these defined circumstances and for a defined period. It is different therefore from the flexibility available under paragraph 7 which is based on market conditions.
- 10.3. Where used, this flexibility would normally apply to someone taking up a VSM post for the first time on promotion. It is not intended, however, that it should be the case for all such appointments.
- 10.4. Where a local ALB remuneration committee proposes using this flexibility, this should include an assessment of the development need and how the organisation will support the VSM to undertake that development in the role. There should be a set period, agreed with the VSM with an assessment at the end point with the intention of moving the VSM onto the full basic rate for the post should the assessment support that.

11. Annual Uplifts and Performance Bonus Scheme

- 11.1. All VSMs will be eligible for consideration for an annual uplift in salary as determined from year-to-year by the Government. VSMs in post for at least 3 months will also be eligible for consideration of a performance- related bonus.
- 11.2. Those who have been in post for over 6 months will be eligible for consideration of a full year performance-related bonus. Those who have been in post for 3 to 6 months are eligible to be considered for 50% of the recommended performance-related bonus. Both annual uplift and bonus payments are dependent upon performance as set out below.
- 11.3. The pay awards for the year will be based on placing the individual into one of 3 categories:

Category	Award
A	Eligibility for an annual uplift, consolidated into salary plus a non-consolidated bonus
B	Eligibility for an annual uplift, consolidated into salary but no bonus
C	No annual uplift and no bonus

- 11.4. An individual's eligibility for consideration for an annual uplift or bonus will be determined by the performance category into which they are placed.
- 11.5. The DH remuneration committee will delegate responsibility for the determination of annual performance-related bonuses to the ALB's own remuneration committee each year, subject to limits which will be set by the DH remuneration committee annually. These will include:
- a cap on the maximum that may be paid to any individual expressed as a percentage of their base pay;
 - a cap on the total value of performance related pay awards across the organisation expressed as a percentage of the base pay of all eligible staff;

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- a cap (if still required) on the maximum percentage of eligible staff that may receive PRP bonuses.
- 11.6. Provided that these limits are not breached, the DH remuneration committee will not prescribe the rates of bonuses that are awarded to individual staff. This will be a matter for individual ALB remuneration committees and they may choose to award different rates of bonus to different VSMs depending upon their performance. The DH will however require the ALB to provide it with an annual summary of the total remuneration for all VSM staff including sufficient detail to demonstrate that none of the current limits has been breached. This should include evidence that there is no unjustifiable disproportionate impact due to gender, race or age.

Process for Determining the Value of Annual Uplifts and Bonuses

- 11.7. The Senior Salaries Review Body (SSRB) has been asked to make recommendations to Government annually on the level of increase to basic pay and the value of the performance pay pot. The DH remuneration committee will write to each ALB annually to advise them of the agreed uplift. There will however be no uplifts during 2011/12 and 2012/13 because of the Government's 2-year pay freeze on public sector pay.

12. Expenses

- 12.1. Any expenses paid to VSMS (e.g. for accommodation, travel or subsistence) should be based on clear, published principles and be consistent with the policy for other staff within the same organisation.

13. The Role of Remuneration Committees

13.1. The role and responsibilities of remuneration committees in ALBs in relation to the VSM pay framework are set out in “Guidance for Remuneration Committees” at:

http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_105254.pdf

This guidance should be followed (except as amended or superseded by this framework) in all ALBs.

13.2. In particular, the role of remuneration committees should include:

- ensuring pay policy is administered in accordance with the framework and other relevant guidance;
- seeking prior approval from the DH Remuneration Committee for the salaries of the chief executives and all executive directors;
- seeking prior approval (where appropriate) from the Chief Secretary to the Treasury, through the DH Remuneration Committee, for any appointment, re-appointment or change of contract for any member of staff whose salary is reasonably expected to exceed £142,500 per annum. The Cabinet Office guidance on this requirement is at http://www.civilservice.gov.uk/wp-content/uploads/2011/09/CO_guidance_pay_tcm6-36460.pdf
- seeking prior approval from the DH Remuneration Committee for any proposal to award RRP;
- agreeing awards of additional responsibilities payments;
- providing the DH Remuneration Committee with details of VSM payments as required, including an annual summary of all payments analysed by individual and type of payment (e.g. base pay, bonuses, RRP, additional responsibilities payments);
- ensuring that the pay for individual posts is based on the rates set out in Annex C;
- agreeing the process for linking objectives to pay. Monitoring and evaluating the performance of VSMs and agreeing the PRP recommendations for all VSMs within the ALB;

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- ensuring the PRP budget is not exceeded and that the other limits on PRP are observed;
- arranging the job evaluation of any new or significantly changed VSM roles, including roles where the responsibilities have reduced to such an extent that pay should be reviewed and perhaps reduced;
- ensuring compliance with Government policy on transparency, disclosure and fairness in the administration of senior pay;
- ensuring compliance with equality legislation.

14. DH Remuneration Committee

14.1. Under this framework, the governance role formerly undertaken by the Pay and Performance Oversight Committee (PaPOC) as “grandparent” organisation for ALBs will transfer to a new, stronger DH remuneration committee. The DH Remuneration Committee will respect the delegated authority of the remuneration committees in ALBs and operate within defined limits. The responsibilities of the DH Remuneration Committee will include:

- considering ALB proposals for the allocation of each ALB to one of the SSRB’s 6 organisational bandings and making recommendations to the Cabinet Office for moderation across Government;
- maintenance of the VSM pay framework, including publication of annual pay scales and limits on PRP;
- considering requests for approval from ALB remuneration committees as set out at paragraph 13.2;
- considering any requests from ALBs to operate an alternative pay framework for VSM or other staff and referring them to the PSPC for approval where appropriate;
- providing advice on the interpretation of this framework; moderating any disputes that may arise and ensuring correct process has been followed in the operation of the framework.

15. Migration

- 15.1. All new appointments to chief executive and other VSM posts in DH ALBs should be made under the terms of this framework.
- 15.2. Staff who were in post before that date may continue to be employed on pre-existing VSM or local terms until they change contract or leave the organisation.
- 15.3. It is therefore possible that for some time, an ALB will be employing VSMs on different pay frameworks. HM Treasury has made it clear that there is no automatic requirement to harmonise pay in these circumstances. However, in some circumstances there may be a risk of challenge under equal pay legislation.
- 15.4. Following the introduction of this framework and any new appointment made under it, each ALB may therefore consider undertaking an equal pay risk assessment to identify and put right any material gender-based or age-related inequalities within the organisation. It is recommended that ALBs take their own independent legal advice if the equal pay audit reveals any gender or age-based inequalities.
- 15.5. ALBs should also consider, where differences of pay may be difficult to justify, phasing in new rates of pay over a fair and defensible period of time. ALBs should take their own independent legal advice regarding alternatives to harmonisation.
- 15.6. Staff in existing ALBs should not be moved on to the new framework in circumstances other than provided for above.

16. Model Contract

- 16.1 A model contract incorporating the Code of Conduct for VSMs is recommended for use by ALBs. It is available from: Francesca.dellapietra@dh.gsi.gov.uk .

17. Pay Protection during System-Wide Reform

- 17.1. Some staff including those who are transferred to ALBs or offered Suitable Alternative Employment in ALBs as part of the current NHS reforms may be entitled to pay protection in accordance with the relevant HR framework or their personal terms and conditions of employment. Where pay protection is permitted, care should be taken to ensure it is correctly applied and that the individual is made aware in writing when it will expire. Broad details of the normal arrangements for pay protection are detailed at Annex F. Detailed information on the transfer arrangements for staff moving to the new ALBs will be developed for each body.

18. Contact

18.1. For all enquiries to the DH remuneration committee, please contact:

- Greg Gleeson
Direct line: 020 7972 3781
Mobile: 07396 23781
Email: greg.gleeson@dh.gsi.gov.uk

Annex A: SSRB Bands

Organisation	SSRB Band	Floor £	Ceiling £
New ALBs			
NHS Commissioning Board	F	175,000	225,000
Health Education England	E	150,000	200,000
NHS Trust Development Authority	E	150,000	200,000
Health Research Authority	C	100,000	150,000
Current ALBs			
Care Quality Commission	F	175,000	225,000
Monitor	F	175,000	225,000
NHS Blood and Transplant Authority	E	150,000	200,000
National Institute for Health and Clinical Excellence	E	150,000	200,000
NHS Litigation Authority	E	150,000	200,000
NHS Business Services Authority	E	150,000	200,000
NHS Health and Social Care Information Centre	D	125,000	175,000
ALBs to be abolished or leave sector (* subject to consultation)			
NHS Institute for Innovation and Improvement	E	150,000	200,000
Health Protection Agency	E	150,000	200,000
Human Fertilisation and Embryology Authority *	D	125,000	175,000
National Patient Safety Agency	C	100,000	150,000
Appointments Commission	C	100,000	150,000
Council for Regulatory Healthcare Excellence	C	100,000	150,000
General Social Care Council	C	100,000	150,000
National Treatment Agency	C	100,000	150,000
Human Tissue Authority *	C	100,000	150,000

Annex B: The Monks (JES) as adapted for NHS Senior Manager roles

Factor	Description
Factor 1 – Knowledge	<p>Knowledge is the information that is used by the post holder in fulfilling the responsibilities of the job. Senior managers in the NHS generally require a specific type of expert or specialist knowledge, combined with the knowledge needed to apply this across the health service. Knowledge at senior manager level is usually acquired through both formal education/training and through experience.</p> <p>It is necessary to consider both the type of specialist knowledge that is needed, and the knowledge needed to operate within the NHS and the public health arena more generally. A manager with responsibility for a specialist area of health protection or clinical governance may require highly specialist knowledge in their particular field, whereas a Chief Executive requires a more wide-ranging managerial knowledge. For both types of role a high level of experience is required to enable the underlying knowledge to be deployed effectively.</p>
Factor 2 - Specialist Skills	<p>Specialist skills are acquired through aptitude, training, experience or practice. They include basic skills and more advanced skills such as those of an accountant or HR professional, together with the highly developed analytical, managerial and leadership skills required to operate at a senior manager level within the NHS.</p> <p>Specialist skills are distinct from knowledge, although they involve the use of knowledge to produce outcomes. For example, knowledge of a particular service area may be combined with specialist commissioning skills to improve services, or the knowledge of a trained accountant may be combined with the specialist skills in the management of budgets to achieve financial stability.</p> <p>All senior managers generally require a broad range of management and leadership skills and also require additional in-depth skills which will vary depending on the extent to which the skills are recognised and deployed across the NHS.</p>
Factor 3 - People Skills	<p>People skills are required to get things done with and through people, including communication skills. These skills are used when working within organisations, for example, in line management, team working and communicating with</p>

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Factor	Description
	<p>colleagues. They are also used for working with providers, other partners, external stakeholders as well as the media and the general public.</p> <p>People skills include the skills required in selecting individuals to fill jobs or to join project teams, and for the management of performance, as well as the highly developed influencing and communications skills that are required in working with external service providers and partners where there is no direct control.</p> <p>Whilst people skills include the skills required to manage people as line managers, other equally important indicators are the requirement to influence where there is no direct control and where a post holder is required to deploy a range of different people skills in different circumstances.</p>
Factor 4 - External Impact	<p>External impact measures the extent to which post holders may have a direct impact on services, on patients and on the public. It also distinguishes between those jobs which are regularly required to influence the activities of other organisations, and potentially the whole Health System and those where the impact is limited to the particular activities of the organisation where the post holder is employed.</p> <p>Clearly all senior manager jobs have some external impact but management jobs with direct responsibility for the management of services or the regulation and/or commissioning of services have a greater external impact than jobs that have an indirect responsibility, for example through providing specialist finance or HR support.</p> <p>It should be noted that the primary purpose of this factor is to distinguish the different types of impact that the jobs have. The scale of the impact is primarily captured in the Decision Making factor.</p>
Factor 5 - Decision Making	<p>Decision making assesses both the scale and the complexity of decisions, including the range of factors to be taken into account and the extent to which information is likely to be ambiguous or conflicting. It includes participating in decision making processes, for example, by influencing and/or providing specialist expertise as well as being the final decision maker on a particular issue.</p> <p>The size of the organisation and services that might be impacted by a decision is very important in determining the responsibility for decisions and the level into which a job is placed generally depends on whether the impact of a decision is on a single service or on the whole Health System.</p> <p>The seniority of a job is also significant in assessing the level of responsibility for decisions. This is because more senior roles, such as a Chief Executive, will have a higher level of responsibility for decision making because they are ultimately responsible for the decisions of subordinates.</p>

DH Pay Framework for Very Senior Managers in Arms-Length Bodies (Special Health Authorities and Executive Non-Departmental Public Bodies)

Factor	Description
Factor 6 - Innovation / Creative Thinking	<p>Innovation/creative thinking measures the degree to which a post holder is required to think ahead and the development of new ideas, solutions and strategies. It measures the extent to which the post holder is required to be innovative to improve services, rather than make simpler choices within existing practices, rules and procedures, and it assesses the degree of strategic thinking that the job requires.</p> <p>For example, regulatory decisions are generally made within tightly defined criteria, whereas a requirement to reduce costs without reducing “front line” services is more likely to require a higher level of innovation/creative thinking. Jobs that require long-term planning, anticipating issues over a time-frame of a number of years and/or which are responsible for developing innovations and solutions will tend to score highly under this factor.</p>
Factor 7 - Physical Environment / Emotional Demands	<p>This Factor measures the requirement to regularly work in difficult and unpleasant surroundings and/or to regularly deal with particularly emotional or stressful situations. In order to be placed beyond Level 1 in this factor the need to deal with particularly unpleasant or emotional situations must be a core part of the role, rather than an occasional or exceptional requirement.</p>

Annex C: Pay ranges

Monks JE Points		Pay Point	Benchmark Salary £
From	To		
700	714	1	70,447 - 78,275
715	729	2	72,720 - 80,800
730	744	3	74,992 – 83,325
745	759	4	77,265 - 85,850
760	774	5	79,537 – 88,375
775	789	6	81,810 - 90,900
790	804	7	84,082 – 93,425
805	819	8	86,355 - 95,950
820	834	9	88,627 – 98,475
835	849	10	90,900 - 101,000
850	864	11	93,172 - 103,525
865	879	12	95,445 - 106,050
880	894	13	97,717 - 108,575
895	909	14	99,990 - 111,100
910	924	15	102,262 - 113,625
925	939	16	104,535 - 116,150
940	954	17	106,807 - 118,675
955	969	18	109,080 - 121,200
970	984	19	111,352 - 123,725
985	999	20	113,625 - 126,250
1,000	1,014	21	115,897 - 128,775
1,015	1,029	22	118,170 - 131,300
1,030	1,044	23	120,442 – 133,825
1,045	1,059	24	122,715 - 136,350
1,060	1,074	25	127,260 – 141,400
1,075	1,089	26	131,805 – 146,450
1,090	1,104	27	136,350 - 151,500
1,105	1,119	28	140,895 - 156,550
1,120	1,134	29	145,440 - 161,600
1,135	1,149	30	149,985 - 166,650

DH Pay Framework for Very Senior Managers in Arms-Length Bodies (Special Health Authorities and Executive Non-Departmental Public Bodies)

Monks JE Points		Pay Point	Benchmark Salary £
From	To		
1,150	1,164	31	154,530 - 171,700
1,165	1,179	32	159,075 - 176,750
1,180	1,194	33	163,620 - 181,800
1,195	1,209	34	168,165 - 186,850
1,210	1,224	35	172,710 - 191,900
1,225	1,239	36	177,255 - 196,950
1,240	1,254	37	181,800 - 202,200
1,255	1,269	38	186,345 - 207,050
1,270	1,284	39	190,890 - 212,100
1,285	1,299	40	195,435 - 217,150
1,300	1,499	41	199,980 - 222,200

Annex D: Standard Job Description Proforma

Role profile:

Job Title:	
Department:	
Reports to:	
Direct reports:	
Job Purpose:	
Date:	
Grade:	

Key responsibilities	
Key accountabilities	

DH Pay Framework for Very Senior Managers in Arms-Length Bodies (Special Health Authorities and Executive Non-Departmental Public Bodies)

Skills/Competencies required – these should be identified individually for each post. For guidance on what should be considered in each area, please see annex B.

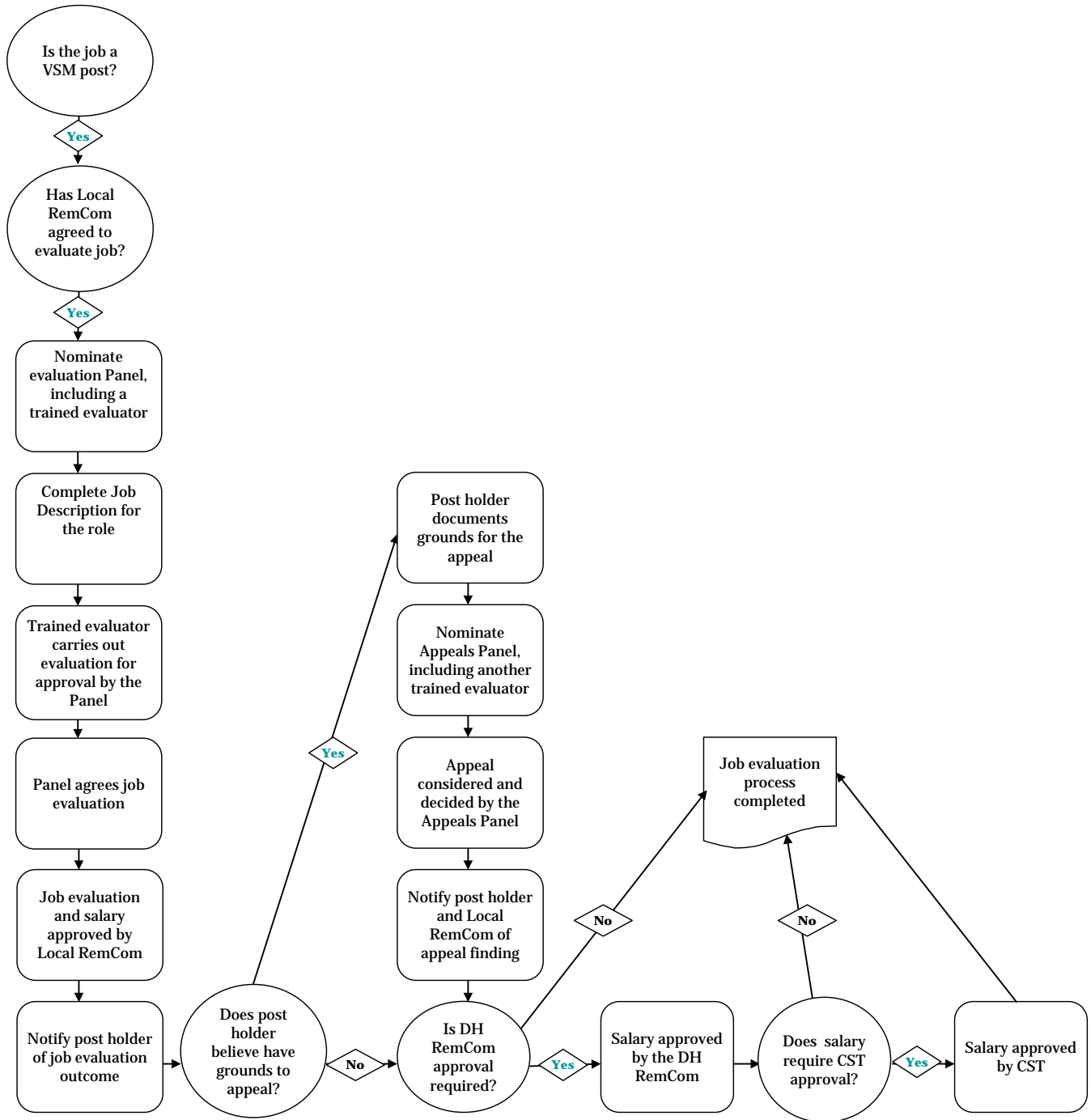
Knowledge:	Specialist Skills:
People Skills:	External Impact:
Decision Making:	Creative Thinking / Innovation:
Emotional Demands:	

Prepared by:.....

Date:.....

Approved by:.....

Annex E: Job Evaluation Process Flow Chart



Annex F: Staff Transfer and Pay Protection Arrangements

Staff transferring to current or new ALBs will do so in accordance with the following principles:

- staff who transfer with their function under TUPE will have an absolute right to protection of all contractual rights at the point of transfer and continuing unless and until there is a valid amendment of contract that is not causally linked to the TUPE transfer;
- where TUPE does not apply in a transfer situation, the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector (COSOP) may apply which means that the principles of TUPE may be followed;
- staff who accept a post as suitable alternative employment will move to the new pay framework and may have their pay protected for a limited period. The period of pay protection will be determined individually for each case taking account of the circumstances, including the individual contract of employment and any relevant local policies;
- where TUPE and COSOP do not apply, VSMs will be appointed to the new ALBs on the terms of this framework.