

**PAPER
MC 12/2009**

Report to the Meeting of the Members' Council

For Approval

21st April 2009

Cost of living increase for Chair and Non-Executive Directors

1. At the meeting on 1st April, the Remuneration and Nominations Committee considered whether to recommend uplift to the non-executive remuneration with effect from 1st April 2009. It was noted that the current remuneration had been agreed in November but that this had been effective from April 2008, the date on which the trust received authorisation as a Foundation Trust. The Director of Human Resources informed the Committee of the national pay awards announced the previous day for doctors, dentists, top civil servants and senior staff in Strategic Health Authorities and Primary Care Trusts. This was at the level of 1.5% increase. By contrast, staff other than directors and doctors would receive 2.3% as part of a national 3 year pay deal agreed the previous year. The Committee felt that it would be appropriate to uplift the remuneration of the Chair and Non-Executive Directors by 1.5%, in line with senior staff in other parts of the NHS.
2. In order to ensure that the Trust remains in keeping with other NHS organisations, a comparison of Chair and Non-Executive remuneration has been undertaken. There is a relatively small amount of data available at this time because most Trusts have been waiting for the national award to be confirmed. This was released on Monday 6th April via NHS Employers confirming an increase of 1.5% to be applied to Chair and Non-Executive remuneration from the 1st April 2009. This applies to all NHS Trusts, PCTs and SHAs. The national pay award supports the recommendation from the Remuneration and Nominations Committee but to test this further we have had confirmation from Portsmouth Hospitals Trust, Southampton City PCT and the Oxford Radcliffe that they are also applying the national uplift of 1.5%. Having contacted a number of Foundation Trusts only Gloucester Hospitals have replied and are applying a 2.4% increase. However this was agreed prior to the national award and intended to address an underlying short fall in Chair and Non-Executive pay. Therefore the latter is not a direct comparison.

3. In light of the information available and to ensure the Trust remains in step with other NHS organisations the Committee therefore recommends to the Members Council an uplift of 1.5% in non-executive remuneration from 1 April 2009.

Author and Title: Graeme Armitage, Director of Director of Human Resources & Organisational Development

Date: 09 April 2009