



responsive
committed
effective

Trust Chairman and Non Executive Director remuneration.

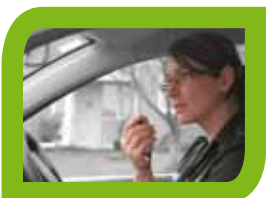
The NHS Foundation Trust Chairman and Non-Executive Director remuneration is set by the Foundation Trust Council of Governors following proposals from the Remuneration and Recommendation Panel. The Chief Executive and Executive Director remuneration is determined by the Foundation Trust Remuneration and Nomination Committee.

All remuneration considerations are made with reference to available benchmark information for Foundation Trust Boards and also in context to the differences in responsibility and scope of accountability each Executive Director holds within the Trust.

There are no provisions for incremental progression or additional payments (such as bonus payments) within the Trust Board Director pay framework, the salary is fixed for all positions and no inflationary uplifts are applied outside of those set by the Department of Health.

There have been no inflationary pay increases since 2009/10. There have also been no performance related payments made to Trust Directors by South Western Ambulance NHS Trust or Foundation Trust despite this being available as an option available to the board and paid by other ambulance trusts.

At the point of license as a Foundation Trust all positions on the Trust Board were re-appointed with additional duties, responsibilities and significant potential personal liabilities under insolvency regulations. The Trust has published all Trust Board Director remuneration and expenses openly on the internet and/or in its Annual Report.





responsive
committed
effective

Foundation Trust Board - Chairman Remuneration

The remuneration for the Chairman is set by the Foundation Trust Council of Governors following consideration of the Remuneration and Recommendation Panel review and proposals.

The Remuneration and Recommendation Panel considered information based on Chairman roles in other NHS Foundation Trusts in the South West and from private sector organisations.

The remuneration for a Chairman role was considered at lower, medium and upper quartile of pay, this recommended that remuneration for the Chairman should be between £35,000 and £60,000 per annum.

The Remuneration and Recommendation Panel made proposals that the salary of the Chairman should be set at the medium quartile of £43,000 per annum, which was agreed by the full Council of Governors. This salary will be reviewed annually and market tested every three years.

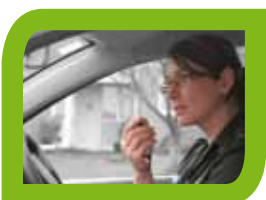
The Chairman is appointed by way of an open and transparent process by the Council of Governors.

Foundation Trust Board - Non-Executive Director Remuneration

The remuneration for the Non-Executive Directors was set by the Foundation Trust Council of Governors following consideration of the Remuneration and Recommendation Panel review and proposals.

The Remuneration and Recommendation Panel considered information based on Non-Executive Directors roles in other NHS Foundation Trusts in the South West and from private sector organisations.

The figures were consistent with the Foundation Trust Network (FTN) which reported that in 2005 Non-





responsive
committed
effective

Executive Directors were paid between £11,000 and £14,000 per annum.

The time commitment for Non-Executive Directors with additional responsibilities was reported and it was noted that the Audit Committee Chairman and the Senior Independent Director (SID) have clear and distinctive additional responsibilities.

Based on benchmarks the Chairman of the Audit Committee is typically paid 20% more than other Non-Executive Directors and this is consistent with the FTN recommendation of a salary range of between £14,000 and £17,000 per annum.

In the private sector the Senior Independent Director is typically paid 40% more than other non-Executive Directors. The Council of Governors Remuneration and Recommendation Panel recommended that the role should however receive a payment of 20% in line with the Chairman of the Audit Committee.

The Remuneration and Recommendation Panel made proposals that the salary of the Non-executive Directors should be set at £13,000 per annum, which was agreed. This salary will be reviewed annually and market tested every three years.

The Non-Executive Director Audit Chairman is set at £13,000 per annum plus an additional payment of 20% (£2,600) to be reviewed annually and market tested every three years.

The Non-Executive Directors Senior Independent Director is set at £13,000 per annum plus additional payment of 20% (£2,600) to be reviewed annually and market tested every three years.

The Non-Executive Directors are appointed by way of an open and transparent process by the Council of Governors.





responsive
 committed
 effective

Chief Executive and Executive Directors Remuneration

The remuneration for the Chief Executive and Executive Directors is set by the Foundation Trust Remuneration and Nomination Committee consisting of the Chairman and Non-Executive Directors.

Chief Executives and Executive Directors particularly in a Foundation Trust have a very complex, demanding and publicly accountable role.

The benchmarking information for Chief Executives and Executive Directors in the Health Service is extensive and was considered by an external body to the Trust, PriceWaterHouse Coopers (PwC). Recommendations on salary were reviewed by the Remuneration and Nomination Committee.

The benchmarking information considered included:

Post Title	Average Remuneration (FT's with a turnover between 1m-150m)	PwC Recommended Benchmark Market median regional FT's	Ambulance Trust Market Median (non FT's)
Chief Executive	£146,547	£133,000	£134,000
Executive Director of Finance	£107,265	£112,000	£93,000
Executive Medical Director	£133,585	Not available	Not available
Director of Nursing / Operations / Delivery	£110,000	£105,000	£88,000
Director of HR	£91,276	£89,000	£87,000





responsive
committed
effective

The Trust Remuneration and Nomination Panel in consideration of all of the pay benchmarking information; the roles and responsibilities of the Chief Executive and Executive Directors; the breadth and depth of relevant professional experience; set the salary points as follows:

- Chief Executive - £136,400
- Executive Director of Finance & Performance - £107,800 (with an additional responsibility payment for Deputy Chief Executive role of £7,500 per annum)
- Executive Medical Director - £106,804 (pro rata for 2 days)
- Executive Director of Delivery - £93,200
- Executive Director of HR & Governance - £79,350

The Hutton Report of Fair Pay in the Public Sector recommends that public service organisations should track, publish and explain their pay multiples over time. The most appropriate metric for pay dispersion is the multiple of Chief Executive.

The lowest pay level within the Foundation Trust is Band 1 at £13,903 per annum which is a pay multiplier of 10:1 to the Chief Executive. The fair pay review had originally proposed that a 20:1 maximum multiple should be applied. The ratio in the Foundation Trust is half of this maximum level.

