

COUNCIL OF GOVERNORS' MEETING

11 AUGUST 2016

Paper Title:	Review of Non-Executive Director and Chairman Allowances
Lead Director:	Sandra Knight, Director of HR & OD
Paper Author:	Sandra Knight, Director of HR & OD
Agenda Item:	5
Presented For:	Approval

PURPOSE OF THIS PAPER:

The Council of Governors is requested to consider the recommendations made by the Council of Governors' Remuneration Committee in relation to the Chair and Non-Executive Director (NED) allowances.

EXECUTIVE SUMMARY:

The Council of Governors' is responsible for setting the remuneration of Non-Executive Directors and the Chair and reviewing the levels of remuneration and allowances for these posts on an annual basis. It is for the Remuneration Committee to make recommendations to the Council of Governors on any increases in remuneration.

A review of the current rates of pay using benchmark data from the 2016 e-Reward report, (the 2015 edition of which was used last year to support the Committee in making a recommendation to the Council of Governors' to bring Non- Executive allowances to the median market rate), indicates no change amongst similar trusts during the last year. It is therefore proposed that there is no change to the basic allowance.

This year, following recommendations from the independent pay review bodies, the NHS Pay Review Body and the Doctors' and Dentists' Review Body, the Government has accepted the recommendation of a 1% pay rise for doctors, dentists and all staff on Agenda for Change contracts which has been applied to all 2015/16 pay scales with the uplifted pay scale applying from 1 April 2016. Whilst NED and Chair rates do not come within Agenda for Change arrangements, some trusts have used agreements under Agenda for Change in reviewing uplifts for those on other pay arrangements.

An approach to four similar local Trusts regarding their response to NED allowances for 16/17 has resulted in two responses as set out in Appendix 1, with one Trust applying the 1% to non-executive pay and the other Trust not having yet decided.

COUNCIL OF GOVERNORS' REMUNERATION COMMITTEE MEETING HELD ON 11 JULY 2016

The Council of Governors' Remunerations Committee sought assurance that the 1% uplift had been awarded to all staff on Agenda for Change and groups of staff on other pay arrangements within the Trust, and on confirmation of this, considered it appropriate that the same amount be awarded to the Chair and NEDs. They noted this amounted to £1050 in total for the year.

RECOMMENDATIONS:

That the Council of Governors approve the recommendations of the Council of Governors' Remuneration Committee to:

- Maintain basic allowances at the current level given the benchmark data
- Apply a 1% uplift to the Chair and NED allowances in line with Agenda for Change; and
- Back date the increase to 1 April 2016.

**LOCAL TRUSTS CONTACTED REGARDING INTENTION TO APPLY THE
AGENDA FOR CHANGE UPLIFT TO CHAIR AND NED ALLOWANCES**

Bradford Teaching NHS Hospitals Foundation Trust benchmark data	Not decided, reviewing
Leeds and York Partnership NHS Foundation Trust uplift	Decided to apply the 1%
Rotherham and Doncaster NHS Foundation Trust	No response
Humber NHS Foundation Trust	No response