

**ITEM: 11/105**  
**Doc: 12**

**Meeting:** Trust Board  
**Date:** 27 July 2011

**Title:** Remuneration committee report

**Executive Summary:** The Remuneration committee agreed key principles for remunerating executive directors. This informed their decisions on 2011/12 salaries.

One redundancy over £100k was agreed. This was subject to subsequent agreement by the auditors and NHS London.

**Action:** To note

**Report from:** Yi Mien Koh, Chief Executive



## **Executive pay**

The Remuneration Committee, comprising the Chairman and non executive directors, met on 22 June 2011. It considered the remuneration of the executive directors. The factors considered that would impact upon the appropriate remuneration for directors were:

- Whittington health has increased in size by over 30% in terms of budgetary, service and workforce responsibilities.
- The services now provided cover a complex range of community and acute services.
- Directors' roles have increased significantly to reflect these changes as well as taking on extensive service transformational roles.
- Demanding roles in relation to preparing the organisation to achieve foundation status
- The importance to the success of Whittington Health of retaining and attracting talent to deliver the challenging agenda

Following discussion of the above, the following key principles in respect of directors' remuneration were agreed:

- The Trust will endeavour to pay at least median range of peer groups' salaries to directors to ensure it retains talent and is competitive
- Annual salary increases will be linked to appraised performance after the year-end (April 2012 onwards).
- Directors will be eligible to performance related pay up to 6% payable April 2012 onwards. From 2013, as a foundation trust, it is expected that directors' remuneration will comprise a larger proportion of performance related pay instead of future increases on basic pay.
- Benchmarking comparisons of salaries will inform the salary assignment process

## **Redundancy case**

The Remuneration Committee agreed one redundancy over £100k subject to agreement by its auditors and NHS London.