

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST

REPORT TO: BOARD OF DIRECTORS MEETING - 28 FEBRUARY 2014

REPORT FROM: REMUNERATION COMMITTEE HELD ON 11 FEBRUARY 2014

PURPOSE: Information

SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**The meeting discussed the following agenda items:**

1. **Revised Terms of Reference (TOR) for the Nominations Committee.** These Terms of Reference had been updated following publication of Monitor's Code of Governance. The revised Code of Governance recommends Trusts undertake an annual review of structure, size and composition of the Board of Directors. It was agreed that a Nominations Committee meeting should be arranged in April each year to undertake this new requirement. It was also agreed that the Council of Governors Nominations and Remuneration Committee should meet annually at the same time to undertake a similar review of NED composition.
2. **Annual review of Pay Policy for very senior managers.**

The meeting received a report from the Chief Executive and agreed the policy remained "Fit for Purpose".

3. **Draft job description for Director of HR.** The committee considered a draft JD presented by the CEO. Whilst broadly agreed the committee indicated the JD needed to be strengthened in terms of the strategic and innovative role of the post. In particular they pointed out that the relationship of the post to the areas of training and education currently line managed by Medical Education and the Chief Nurse needed to be made more explicit.
4. **Benchmarking of pay for Executive Directors and annual review of policy for determining remuneration and performance management of executive directors.** The FT policy on pay requires external benchmarking for Executive Directors and senior managers. Given the need to recruit a new Director of HR it was prudent to benchmark all the executive director posts in this most recent exercise.

The Committee agreed that a 1% pay uplift should be awarded to all Executive Directors, subject to the same uplift being applied to all staff within the organisation. (A policy decision about NHS pay by the DoH is awaited). The Committee agreed that the Strategic Director and Director of HR positions required further review as the current levels of pay were below the national average. It was agreed that the forthcoming recruitment process for the Director of HR would enable the Trust to test the current market and position concerning remuneration at an appropriate level. A review of the scope of the Strategic Director position would then be undertaken in terms of comparability, recognising that responsibilities of this post were significant and not less than the HR Director position.

It was agreed that the remuneration of the CEO, Finance Director and Chief Nurse/Director of Operations positions did not require any uplift (above the 1% discussed above) based on the Hay Group report.

The Committee reviewed the pay parameters set for senior managers and, after considering the Hay recommendations, agreed that the policy should be adjusted to £70-£100,000 (as per Hay report).

SUMMARY OF KEY ACTIONS FROM THE MEETING:

- Terms of Reference for the Nominations Committee amended and agreed.
- Policy for very senior managers pay agreed.
- The COE to revise the JD for the Director of HR – in line with views expressed by committee. (See above).
- CEO to circulate the Time line for recruitment of the HR Director to REMCO/NOMCO.
- Structure within the Trust to be reviewed to take account of the revised JD.
- The external benchmarking of Executive Director and senior managers pay was used to make pay award recommendations in the current year (See above).

Richard Earland
Chair REMCO
17th February 2014