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NHS Chiefs pay rising three times faster than 2.2% Department of Health target

- **NHS Chief Executives get 6.9% pay increase**
- **Turnover within foundation trust boardrooms running at 14%**
- **Chief Executives of foundation trusts earning £10,000 more than chief executives of non-foundation trusts**

NHS trust Chief Executives in England received an average pay increase of 6.9% last year, reveals the latest NHS Boardroom pay report by Incomes Data Services (IDS) (Based on accounts to the year end March 2009).

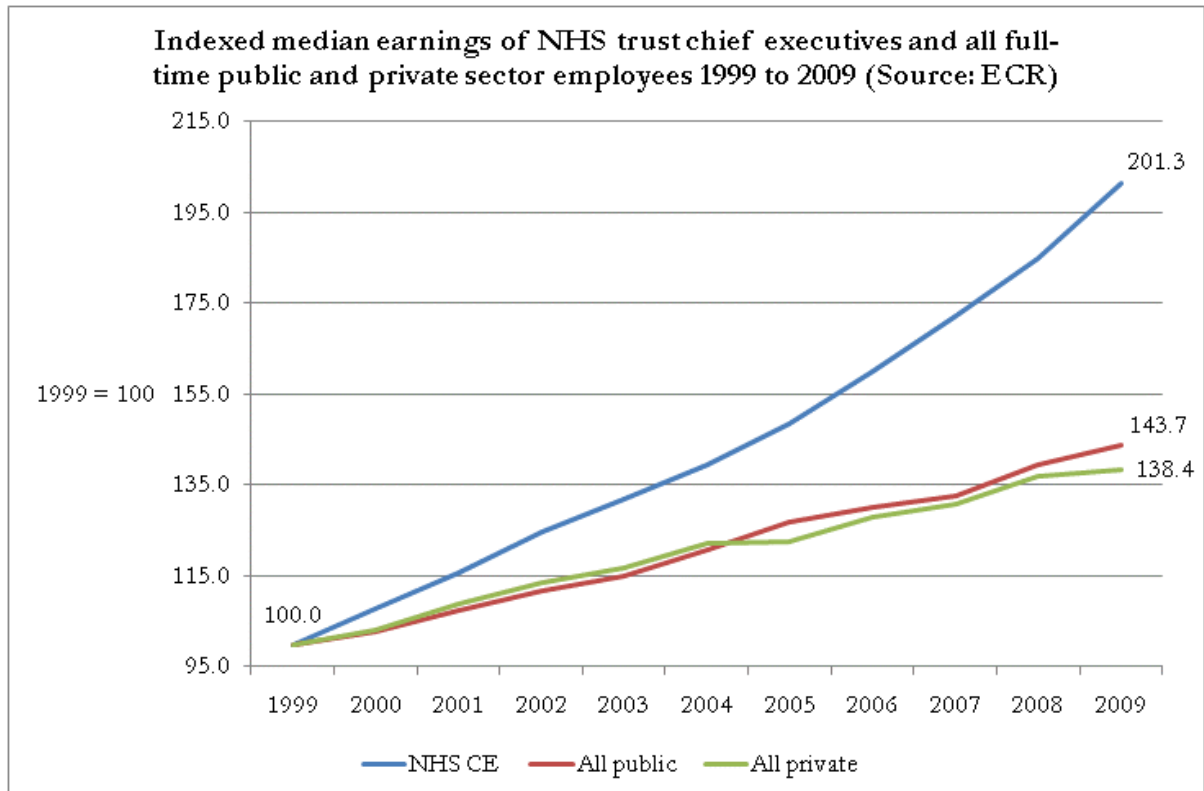
The average pay rise for NHS chief executives was three times higher than the Department of Health's target of an increase of no more than 2.2% in the 'overall paybill for senior managers' in 2008/09.

The 6.9% pay increases for NHS trust chief executives comes on top of a 6.4% rise in 2007/08. The Government recently announced (10/03/10) that senior public sector workers would have their pay frozen this year.

According to the IDS research the median salary for a chief executive of a NHS Foundation Trust stood at £157,500 for the year to March 2009, compared to £147,500 for a chief executive of a non-foundation NHS Trust.

Steve Tatton, Editor of the IDS NHS Boardroom Pay Report 2010, comments: "Our annual survey of NHS boardroom remuneration will not make comfortable reading for those wishing to see those at the top of the service leading from the front on wage restraint."

"These are undoubtedly testing times for those making decisions about how much to pay NHS chiefs, balancing recruitment and motivation against the need to keep tight control of the public purse, but it seems that the equation has fallen on the side of high salary awards with pay continuing to run ahead of the rest of the workforce."



Widening gap between the earnings of foundation and non-foundation trust executives

IDS says that executive salaries within foundation trusts increased by an average of 7.8% last year, compared to 6.1% for executives within non-foundation trusts.

IDS points out that foundation trusts have considerably more independence over the level of remuneration awarded to their directors, whereas other trusts such as Primary Care and Ambulance trust are governed by prescribed guidelines determined by the Department of Health.

Steve Tatton says: “Pay disparities between foundation and non-foundation trust executives are exacerbating tensions between NHS senior executive pay markets. Large pay increases for foundation trust executives are making it difficult for non-foundation trusts to compete for the best executives.”

Boardroom turnover is high

IDS’s research reveals that turnover within the boardrooms of English non-foundation NHS trusts was 17% in the year to March 2009 with the turnover of executives in foundation trusts running at 14%.

Steve Tatton says: “Another measure indicating the level of recruitment and retention problems is the high number of directors with job titles marked as ‘interim’, ‘temporary’ or ‘acting’. Non-foundation trusts had 92 directors with ‘non-permanent’ job titles compared to just 55 foundation trust directors.”

ENDS

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