

# Senior Salaries Review Body 2023/24

## Written evidence from NHS Providers

### About NHS Providers

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS trusts and foundation trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate. NHS Providers has all trusts in England in voluntary membership, collectively accounting for £104bn of annual expenditure and employing more than 1.2 million staff.

### Our submission

We welcome the opportunity to submit evidence to the Senior Salaries Review Body (SSRB) on behalf of NHS trusts and foundation trusts, to inform the 2023/24 pay round. NHS Providers is well placed to provide insight on pay issues at Very Senior Manager (VSM) level within the NHS, due to our position as the membership body for all trusts and foundation trusts in England, our independence from government, and primary focus on matters affecting trust boards, including their role as employers.

The SSRB is seeking evidence in some areas we have not covered in this submission – particularly those where granular data collected only by national agencies is required – however we are pleased to provide qualitative evidence and anonymised reflections shared with us by trust leaders on VSM pay issues, supported by data from our annual remuneration survey of executive and non-executive directors at NHS trusts and foundation trusts.<sup>1</sup> Ahead of this pay round, we shared a briefing on our annual remuneration survey results with the SSRB in confidence, and hope that it has been useful to inform the review body's thinking. We have discussed how to expand the reach and impact of our

---

<sup>1</sup> This survey ran in spring 2022, and received responses from 130 trusts, accounting for almost two thirds (62%) of all trusts in England. All trust types and regions were represented in the responses. The responses include an overview of the pay arrangements and structures in place for executive directors, chairs and non-executive directors (NEDs) for 2021/22, and insight into trends observed in recent years. We have historically used this data to produce dashboards which trusts can use to benchmark their executive directors, chairs and non-executive directors' remuneration arrangements.

annual remuneration survey with NHS England (NHSE) and would consider surveying trust leaders on additional areas of focus that fall within the SSRB's priorities for evidence collection in the future. We have developed a good working relationship with the SSRB since VSMs came into its broader remit in 2020.

During 2022, we have assisted the SSRB and NHSE in the organisation of online events and discussions with members of the remit group, and non-executive directors involved in remuneration decisions at trust level. We intend our written evidence to be supplementary to this work, providing a comprehensive repository of trust leaders' views.

## Key messages

- 85% of trust leaders responding to our annual 'State of the Provider Sector' survey state they are more worried about this winter than any other in their careers. Media messaging of "waste and wokery" among NHS leadership is not only unfounded, but has been damaging to the morale of senior NHS leaders working under significant and converging pressures.
- Turnover among the group covered by the SSRB's remit is high, with our remuneration survey finding that over a quarter of executive directors have been in post for a year or less, and 57% were new to their roles within the past two years.
- We hope that the new VSM framework will balance the coordination of VSM pay from the centre, with local autonomy and ability to recognise the particular complexities in a given trust, in a way which does not cause undue delays to appointments. We remain encouraged by the overall direction of travel of this work and have been engaging on it with NHSE's team.
- We continue to hear from trusts that turnover should be deemphasised in the setting of VSM pay, and instead take better account of the complexities involved in trust leadership.
- Most trust leaders continue to tell us that earn back is not an effective or appropriate method of performance management.
- The 2021 national Workforce Race Equality Standard report found there has been a fall in the number of executive directors from an ethnic minority background, from 155 in 2020, to 144 in 2021. Ensuring there is increased diversity at senior leadership level needs to be central to developing a leadership pipeline.
- It is welcome to see a year-on-year increase in the number of board members who have disclosed a disability, but the majority of trusts do not have a board member who has disclosed a disability.
- Findings from our remuneration survey suggest a gender (basic) pay gap of 8.3% among executive directors, equating to female directors receiving £11,714 less than male peers. This gap has increased by 1.7% since 2020/21 but is narrower than the 10.0% gap observed in 2019/20.

- While we did not see a large movement of trust leaders into ICB roles this year, we request that the SSRB asks DHSC whether they feel assured that the forthcoming VSM pay framework is equal in its support of senior leaders in trust roles and senior leaders in ICB roles.
- The nature of VSM roles is becoming more complex given partnership and system working. It is important to reflect this not only in the new VSM framework, but also in the SSRB's pay recommendations this year.
- While we understand delays in pay review processes are not always in the control of the given review body, the 2022/23 pay uplift being announced seven months into 2022 was unhelpful. We would be supportive of all efforts the SSRB can make to ensure that pay rounds are concluded at the start of each financial year.

## Context for the 2023/24 pay round

VSMs in the NHS are undoubtedly facing a difficult period. This winter is expected to be particularly challenging, with industrial action beginning across the NHS, data for week commencing 5 December showing bed occupancy rates at 94.5% for the third week in a row,<sup>2</sup> alongside, on the 12 December, a 33% increase in Covid-19 new hospital admissions compared to the week prior.<sup>3</sup> Data from November showed the longest recorded response times for ambulance category 1 and 2 calls, A&Es had their busiest October on record and the elective care waiting list reached 7.2 million<sup>4,5</sup>. Staff vacancy rates are at a record high at 133,446 – a vacancy rate of almost 1 in 10<sup>6</sup> – impacting trusts' ability to meet service demand. Turnover among the group covered by the SSRB remit is also high, with our remuneration survey finding that over a quarter of executive directors have been appointed since the start of 2021, and over a third of chief executives were appointed that year. 85% of trust leaders responding to our annual 'State of the Provider Sector' survey state they are more worried about this winter than any other in their careers.<sup>7</sup>

---

<sup>2</sup> NHS Providers, analysis, winter watch: <https://nhsproviders.org/nhs-winter-watch-202223/week-2>

<sup>3</sup> NHS England, Covid-19 hospital activity: <https://www.england.nhs.uk/statistics/statistical-work-areas/covid-19-hospital-activity/>

<sup>4</sup> NHS Providers, analysis, winter watch: <https://nhsproviders.org/nhs-winter-watch-202223>

<sup>5</sup> The Health Foundation, gridlocked health and care system risks the safety and quality of patient care: <https://www.health.org.uk/news-and-comment/news/gridlocked-health-and-care-system-risks-the-safety-and-quality-of-patient-care>

<sup>6</sup> NHS Digital, vacancy statistics: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---june-2022-experimental-statistics>

<sup>7</sup> NHS Providers, report, 'State of the provider sector' (2022): <https://nhsproviders.org/state-of-the-provider-sector-2022>

In addition to these external and internal pressures, members of the SSRB's remit group are often the target of unfounded criticism, particularly in the media. In our submission last year, we noted our concerns that the 'Leadership for a collaborative and inclusive future' review would be used as a vehicle for these messages, so we were reassured by the review team's direct engagement with senior NHS leaders and welcomed the report's recommendations, which we hope to see prioritised for implementation.<sup>8</sup> However, messages around "waste and wokery" continue to be levelled in media messaging on leadership and management in the NHS.<sup>9, 10, 11, 12</sup> These messages are not only unfounded, with research showing the NHS has proportionally fewer managers in its workforce than the wider economy does,<sup>13, 14</sup> but damaging to the morale of senior NHS leaders working under significant and converging pressures.

We are expecting the new framework for VSM pay from NHSE to be published in 2023. The following section sets out our position on this framework, but we assume that the SSRB will have seen the most recent draft of this framework and that this will inform its recommendations for 2023/34.

## Strategic approach to VSM pay

Our last submission to the SSRB outlined how decisions on VSM pay have historically been made within trusts (in the first instance at a local level, with oversight provided by NHSE through a national pay framework, which is in practice separated into two parts).<sup>15</sup> As also noted last year, it remains a priority for trust leaders from all sectors to see the creation of a single VSM pay framework which does not separate different providers into classes based on the type of services they are providing.

---

<sup>8</sup> NHS Providers, on the day briefing, Leadership for a collaborative and inclusive future:

[https://nhsproviders.org/media/693695/46336\\_messenger-review-otdb\\_final.pdf](https://nhsproviders.org/media/693695/46336_messenger-review-otdb_final.pdf)

<sup>9</sup> Daily Mail, 'crackdown on NHS bureaucrats costing taxpayers £2.8billion a year: Health Secretary Steve Barclay launches plan to root out waste, wokery and deadwood to cut costs and free doctors from red tape amid backlog crisis':

<https://www.dailymail.co.uk/news/article-11166653/Crackdown-NHS-bureaucrats-costing-taxpayers-2-8billion-year-Steve-Barclay-launches-plan.html>

<sup>10</sup> The Sun, 'health secretary Steve Barclay orders crackdown on cash-gobbling 'woke' diversity roles in the NHS':

<https://www.thesun.co.uk/news/politics/20336052/steve-barclay-crackdown-woke-diversity-nhs-jobs/>

<sup>11</sup> The Telegraph, 'NHS management review hijacked by 'wholesale wokery'': <https://www.telegraph.co.uk/politics/2022/06/18/nhs-management-review-hijacked-wholesale-wokery/>

<sup>12</sup> The Telegraph, 'NHS employs more than 2,000 managers on six-figure salaries': <https://www.telegraph.co.uk/news/2022/11/27/nhs-employs-2000-managers-six-figure-salaries-executive-pay/>

<sup>13</sup> University of Bristol, NHS managers: part of the solution, not the problem: <http://www.bristol.ac.uk/policybristol/policy-briefings/nhs-managers/>

<sup>14</sup> NHS Confederation, is the NHS overmanaged: <https://www.nhsconfed.org/long-reads/nhs-overmanaged>

<sup>15</sup> NHS Providers, submission, written evidence to the SSRB: <https://nhsproviders.org/media/693036/nhs-providers-written-evidence-to-the-ssrb-2022.pdf>

This point continues to be reinforced in the discussions we have held with chairs, CEOs and HR directors, and in trust roundtable events since our last submission to the SSRB. We remain in agreement with the SSRB's observation from its 2021 report that the nature of activity carried out by trusts is not "the right basis for setting pay".<sup>16</sup>

We have continued to engage with the team at NHSE working on the new VSM framework, and look forward to its publication. We remain encouraged by the overall direction of travel of this work. We have shared the following thoughts with the team, based on feedback which our members continue to give us.

We have noted the salary approval threshold for ICBs set at £170,000. As stated in our last submission to the SSRB, the current threshold of £150,000 for trusts is cited by our members as a key factor in delaying appointments while sign off from the centre is pending. Senior roles sitting vacant has significant impact on operational management and service delivery. Ideally, the new VSM framework will remove the need for approval thresholds. However, if this is not possible, we hope that the VSM framework would raise trusts' approval threshold to match that of ICBs. This is not only to ease some of the issues around delayed appointments, but also to ensure equal support for senior leaders in trust roles and senior leaders in ICB roles.

While we recognise government's increased scrutiny of costs in the current economic landscape, we remain opposed to the salary approval threshold in principle and, as noted above, hope that the VSM framework might be able to take away the need for it. As stated in our last submission: "The £150,000 'threshold' itself is generally opposed and seen to be outdated... We agree with the SSRB's assertion that this mark is "difficult to justify"<sup>17</sup> as a point of central approval for VSM salaries and would note that the figure is based on a decision by Gordon Brown's government to "name and shame" higher earners during a global financial crisis, record national debts and deficits, and a double-dip recession 13 years ago (in 2009)."<sup>18</sup>

---

<sup>16</sup> SSRB report 2021 page 130, paragraph 6.7:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1009002/Senior\\_Salaries\\_Review\\_Body\\_Report\\_2021\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009002/Senior_Salaries_Review_Body_Report_2021_Web_Accessible.pdf)

<sup>17</sup> Ibid, paragraph 6.41

<sup>18</sup> NHS Providers, submission, written evidence to the SSRB: <https://nhsproviders.org/media/693036/nhs-providers-written-evidence-to-the-ssrb-2022.pdf>

We continue to hear from trusts that turnover should be de-emphasised in setting VSM pay, and the framework should instead take better account of the complexities involved in trust leadership and management. The complexities which we outlined in pages 4-5 of our last submission continue to be the areas which our members point us to in discussions on the new VSM framework.<sup>19</sup>

Concerns around earn-back also persist among trust leaders, as outlined in pages 12-13 of our last submission.<sup>20</sup> Our remuneration survey this year found that as it stands, earn-back varies in how it is applied across the NHS. Executive directors at NHS trusts were more likely to have an element of earn-back than those at foundation trusts. Chief executives and medical directors were the most likely roles to have an element of earn-back to their salaries. 114 executive directors in the survey had an element of earn-back applicable to their salary, representing 13% of all executive director roles reported in the survey – a decrease from 16% the previous year. Of the executive directors who had an element of earn-back applied to their salary, 89% had been appointed since the start of 2016. When asked if earn-back was extended to all executive director roles, what would be the anticipated impact on recruitment for these roles, 44% found recruiting to vacant positions would be significantly (22%) or slightly more (22%) difficult, whereas 19% said there would be no impact. In the survey comments, respondents were concerned that extending earn-back to all executive director roles would be a deterrent and disincentive, making it harder to attract and recruit applicants from other sectors. Other comments highlighted that an earn-back policy could add unnecessary pressure to perform, change the culture to overly target driven, and may make people feel less valued. Anecdotally, recent conversations on earn-back again included concerns that it is not an effective or appropriate method of performance management.

Given this evidence, we have been robust in our ask of NHSE to move away from earn-back in the new VSM framework. Ultimately, the principle behind earn back is one of personal accountability. Trust leaders support that principle, but we believe it would be better met through robust appraisal processes which feed into performance management. We welcomed the Messenger review's recommendation to this end<sup>21</sup>, and would be pleased to work with NHSE on its implementation.

---

<sup>19</sup> Ibid, p4-5.

<sup>20</sup> Ibid, p12-13.

<sup>21</sup> NHS Providers, briefing, leadership for a collaborative and inclusive future recommendation 4:  
[https://nhsproviders.org/media/693695/46336\\_messenger-review-otdb\\_final.pdf](https://nhsproviders.org/media/693695/46336_messenger-review-otdb_final.pdf)

We noted, and agree wholeheartedly with, the following comments on the draft VSM framework in the 2022 SSRB report:

"We welcome the provision in the draft VSM pay framework for a non-consolidated salary uplift of up to 15 per cent to incentivise moving to the most challenged systems or organisations."<sup>22</sup>

"Pay is not the only consideration affecting the attractiveness of roles in challenged organisations. Encouragement and recognition for those undertaking them should also include support such as coaching and mentoring. Experience of them should be valued as potentially enhancing individuals' fitness for other senior posts."<sup>23</sup>

In March 2022, we convened a roundtable between our members and NHSE's 'Leadership for a collaborative and inclusive future' review (Messenger review) team. One of the key points raised was that while pay is an important incentive to attract and retain strong leaders to challenged organisations, it must not be the only incentive. There were repeated suggestions of peer support, as well as support from regulators and promotion of the benefits which joining a challenged organisation can bring in terms of career development. As such, we also agree with recommendation 9 of the SSRB's last report: "In finalising the pay framework for VSMs, we recommend the development of criteria to determine when an additional 15 per cent of pay may be awarded to those asked to work in the most challenged systems or organisations."<sup>24</sup> We have offered to input to NHSE during their development of these criteria, and believe it should also come alongside wider provision for support for leaders who move into, or already work in, challenged organisations.

The new VSM framework has been in development for some time now, and as such we are keen to ensure that the published version is based on the most up to date data possible. We have been engaging with NHSE to this end and have also shared our remuneration survey results with them. We intend to continue to do this on an annual basis. We believe that it will be important for the framework to be reviewed at regular intervals, and that our annual data collection on pay arrangements and structures in place for executive directors, chairs and non-executive directors could form a useful part of this.

---

<sup>22</sup> SSRB report 2022, paragraph 1.72:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1092289/SSRB\\_44th\\_AR2022\\_accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1092289/SSRB_44th_AR2022_accessible.pdf)

<sup>23</sup> Ibid, paragraph 1.73.

<sup>24</sup> Ibid, recommendation 9, p11.



Trusts' opinion on VSM pay issues broadly remains that there is a need for a clear, transparent, and equitable system for determining pay levels across the sector, rather than an emphasis on any perceived need to increase the overall levels of VSM pay significantly. We are hopeful that the new VSM framework will balance the coordination of VSM pay from the centre, with local autonomy and ability to recognise the particular complexities in a given trust, in a way which does not cause undue delays to appointments.

## Pay and reward: current context for VSMs

As stated in our last submission, we tend to agree with the SSRB's assertion that pay levels for NHS VSMs are broadly appropriate. We anticipate the new VSM pay framework will be a significant development in VSM pay policy. We remain supportive of cost of living increases for VSMs; it is critical that trust leaders feel valued by the system as they work against the backdrop of unprecedented service demands caused by the ongoing management of Covid-19, industrial action, and the need to address a backlog of care at record levels.

In the 2022/23 round, the SSRB recommended a 3% uplift for VSMs, with a discretionary additional 0.5% to help resolve the erosion of differentials with the top of Agenda for Change (AfC) band 9 and to facilitate the introduction of the expected VSM pay framework. We noted that this award fell well short of inflation, which was 9.4% at the time of the award's announcement.<sup>25</sup> However it was broadly in line with the average pay awards for the wider NHS workforce. The uplift was backdated to 1 April with funding to be taken from local budgets. The 3% for VSMs compares to the £1,400 uplift given to AfC staff being equivalent to just a 1.3% pay award at the top of band 9. This has caused difficulties among staff working at the top of AfC, given that they work alongside other senior leaders and, in some cases, are board members themselves. We were encouraged to hear from the SSRB secretariat that the chair of the NHS Pay Review Body will also be sitting on the SSRB this year to facilitate joined up thinking across the review bodies. We would like to note our appreciation to both review bodies for this proactive approach to avoiding a similar issue arising in the 2023/24 pay round.

We would also like to note that, while we understand delays in pay review processes are not always in the control of the given review body, the 2022/23 pay uplift being announced seven months into 2022 was deeply unhelpful for trust boards and remuneration committees as they seek to retain talent

---

<sup>25</sup> NHS Providers, briefing, NHS Pay Awards 2022-2023 – analysis and next steps: <https://nhsproviders.org/media/693925/next-day-briefing-nhs-pay-awards-2022-2023-analysis-and-next-steps.pdf>



at VSM level and ensure sound financial planning. We would be supportive of all efforts the SSRB can make to ensure that pay rounds are concluded at the start of each financial year.

Generally, salaries for executive directors continued to increase in 2021/22. There is variation between trusts, but our survey found that all roles apart from chief executive saw increases. The average basic salary for all executive directors was reported as £146,282, a 1.5% increase from the £144,100 reported in our previous survey. Average remuneration was highest for chief executives and medical directors and lowest for corporate affairs / governance and communications directors. The average basic salary (before looking at other benefits) has increased for all executive director roles except for chief executives, whose average salary saw a 3% decrease from 2020/21. Average basic remuneration for chairs was 4.4% higher than in 2020/21. Given these findings, and ahead of the SSRB's pay decision for 2023/24, it is worth noting that the ONS found average regular pay growth for the private sector was 6.9% in August to October 2022, and just 2.7% for the public sector.<sup>26</sup>

A smaller proportion of trusts applied a cost of living increase to their executive directors and NEDs in 2021/22 than the year before. Just over a third of trusts (34%) awarded a cost of living increase to their executive directors, down from 89% in 2020/21. 8% awarded a cost of living increase to their NEDs, down from 24% the year before. This drop in cost of living awards is due to a letter sent from Prerana Issar (then Chief People Officer at NHSE) to chairs of trusts, FTs, and CCGs via email on 8 September 2021. The letter stated that ministers had confirmed there would be no uplift to VSM pay due to the public sector pay pause that year, and due to VSMs returning to the wider remit of the SSRB – though at this stage, the SSRB were making observations rather than recommendations on VSM pay. Our last submission to the SSRB outlined our members' response to this email,<sup>27</sup> and in our most recent remuneration survey one respondent summarised:

"Nationally last year the decision was to give nothing to VSMs, which severely affected morale in the VSM population given how hard they had worked. The ICS was able to take a local decision to do something."

---

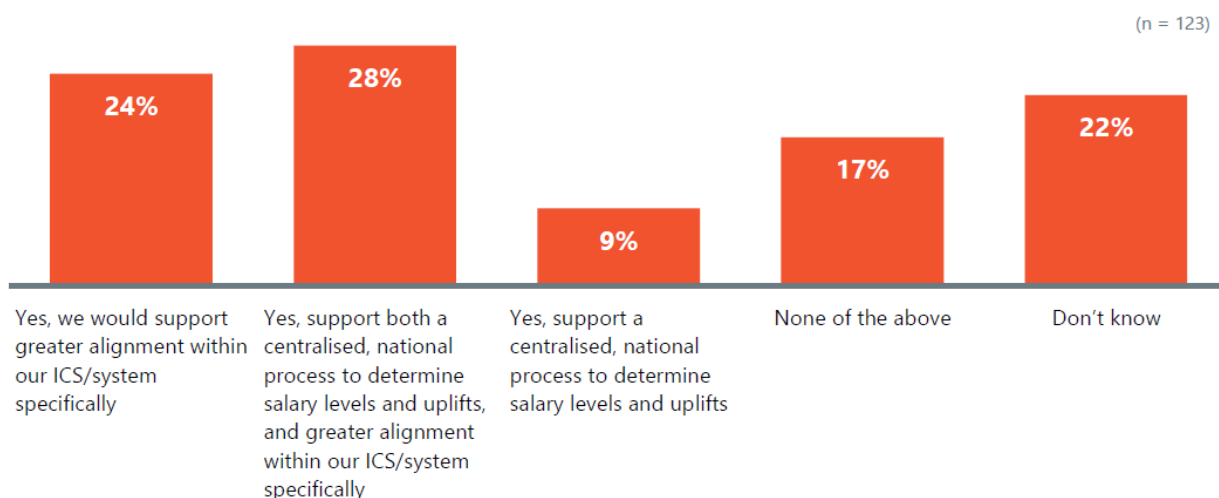
<sup>26</sup> Office for National Statistics, released 13 December 2022, ONS website, statistical bulletin, 'Average weekly earnings in Great Britain: December 2022':

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsinbritain/deceember2022>

<sup>27</sup> NHS Providers, submission, written evidence to the SSRB, p11: <https://nhsproviders.org/media/693036/nhs-providers-written-evidence-to-the-ssrb-2022.pdf>

When asked whether their organisation would support closer alignment between trusts' rates of pay and annual uplift decisions either through a centralised, national process or within their ICS/system, responses were mixed. As shown in the chart below, almost one in four trusts would support greater alignment within their ICS/system specifically. A slightly higher number would support both a centralised, national process to determine salary levels, and uplifts and greater alignment within their ICS/system specifically. Overall, in the comments, respondents reported that while benchmarking is helpful for consistency, they would still like the freedom and flexibility to set pay rates, accounting for factors including trust size, complexity, and scale. Members also highlighted the importance of local determination, due to variations in cost of living across the country. In our view, these results demonstrate relative support for pay alignment so long as it is effective within local systems. This is why we have emphasised the importance of local flexibility in the new VSM framework, as well as ensuring ensure equal support for senior leaders in trust roles and senior leaders in ICB roles.

FIGURE 1: SUPPORT FOR CLOSER ALIGNMENT BETWEEN TRUSTS ON GOING RATES OF PAY AND ANNUAL UPLIFT DECISIONS



The NHS pension scheme provides generous benefits to its members and is undoubtedly favourable in comparison to many other public and private schemes, forming an important part of the total reward package for staff. However, in recent years, the value of the pension scheme has been undermined for higher earners in the NHS. We outlined these issues in our last submission to the SSRB<sup>28</sup>, and remain concerned about the scheme's design and its subsequent interaction with the

<sup>28</sup> NHS Providers, submission, written evidence to the SSRB, p14-15: <https://nhsproviders.org/media/693036/nhs-providers-written-evidence-to-the-ssrb-2022.pdf>

pension taxation scheme (both with regard to the lifetime and annual allowances), particularly for higher earners who often receive unexpected and significant tax bills in connection with the annual allowance, frozen in April 2021 by former chancellor Rishi Sunak.<sup>29</sup> We welcome DHSC's current consultation on changes to the scheme's regulations to increase flexibilities, as first outlined in former secretary of state for health and social care Thérèse Coffey's 'Our Plan for Patients'.<sup>30, 31</sup> An acknowledgement of the interaction between pension taxation rules and inflation is also welcome. As this consultation closes in January 2023, we will share our response as supplementary evidence to the SSRB. We also welcome DHSC's extension to temporary pension easements beyond the proposed April 2023 to April 2025, as outlined in our submission to the consultation on this proposal.<sup>32</sup> We remain of the view that the SSRB has an ongoing role to play in assessing the impact of pension taxation in the NHS, particularly within the broader context of incentives for developing leaders within the service to take on promotions and new roles at board level. We will be happy to discuss this matter further in our oral evidence session.

## Staff turnover and retention

As set out earlier, VSMs in the NHS are undoubtedly facing a difficult period. 86% of trust leaders who responded to our State of the Provider Sector survey were very worried (39%) or worried (47%) about whether their trusts have capacity to meet demand for services over the next 12 months.<sup>33</sup> Enormous operational pressures in the NHS and negative media coverage of senior managers, following an immensely challenging period of leading healthcare organisations through a global pandemic, have damaged morale for the SSRB's NHS remit group. When asked "to what extent has the pandemic affected the likelihood of executive directors in your trust retiring or leaving the NHS within the next 12 months", 23% said executive directors were more likely to retire or leave. Similarly, when asked "to what extent has the pandemic affected morale among executive directors in your trust", 39% said it had worsened since before the pandemic.

---

<sup>29</sup> HM Revenue & Customs, lifetime allowance: <https://www.gov.uk/government/publications/setting-the-standard-lifetime-allowance-from-2021-to-2022-to-2025-to-2026/setting-the-standard-lifetime-allowance-from-2021-to-2022-to-2025-to-2026>

<sup>30</sup> Department of Health and Social Care, NHS pension scheme: proposed amendments to scheme regulations: <https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-amendments-to-scheme-regulations/nhs-pension-scheme-proposed-amendments-to-scheme-regulations>

<sup>31</sup> Department of Health and Social Care, 'Our plan for patients': <https://www.gov.uk/government/publications/our-plan-for-patients/our-plan-for-patients>

<sup>32</sup> NHS Providers, submission, NHS pension scheme: proposed amendments to continue the suspension of restrictions on return to work: [https://nhsproviders.org/media/694134/nhs-pension-scheme-consultation-september-2022\\_final.pdf](https://nhsproviders.org/media/694134/nhs-pension-scheme-consultation-september-2022_final.pdf)

<sup>33</sup> NHS Providers, report, 'State of the provider sector': <https://nhsproviders.org/state-of-the-provider-sector-2022>

Our survey results demonstrate an increase in turnover. As of spring 2022, over a quarter (28%) of executive directors had been in post for a year or less (up from one fifth the year before), and over half (57%) were new to their roles within the past two years (up from 44% the year before). Over half (53%) the chief executives in the survey were in the role for the first time. Retaining senior leaders remains an urgent issue for the NHS, and we have been engaging with NHSE as to how they will embed this work into the new operating model they will be working under in 2023. In November 2022, we convened a roundtable between trust leaders and NHSE on leadership talent management, and are running another in early 2023. While we welcomed the Messenger review's recommendations, it is worth noting that there was not much focus on retention of senior leaders.<sup>34</sup> We will be prompting NHSE on this, given how vital it is to maintain continuity of leadership within a pressurised operational environment, and would welcome the SSRB's reference to this matter in its next report.

In our last submission we noted that the SSRB may be interested in undertaking work to understand the cause and effect of interim appointments within the remit group. In the interests of providing information to support any such work, we again asked members about interim posts at board level in their trusts. As was the case in our previous survey, 6% of roles were reported to be internal interim positions. Only 0.5% (two) of all executive director roles reported in the survey were off-payroll interim. Of the 58 interim executive director roles, 74% had been appointed in the previous year (an increase from our last survey, at 52%). Chief executive and medical directors were most likely to be employed in an interim capacity (previous survey found this to be chief executives and operations directors). We would again note that while interim appointments may well be a process purposefully employed by trusts as they seek to ensure the right appointment decisions are made in the longer-term, it could also point to some difficulty or delays in ensuring the right incentives and conditions are in place for permanent appointments.

## Leadership diversity

NHS Providers and trust leaders are clear that tackling inequality, particularly with regard to race, is crucial and that accountability for this must be embedded at all levels. To support trust leaders with this, we have developed a support offer designed to help boards effectively identify and challenge

---

<sup>34</sup> NHS Providers, briefing, leadership for a collaborative and inclusive future:  
[https://nhsproviders.org/media/693695/46336\\_messenger-review-otdb\\_final.pdf](https://nhsproviders.org/media/693695/46336_messenger-review-otdb_final.pdf)

race inequality as a core part of the board's business.<sup>35</sup> Our board support offer encompasses a range of webinars, events and resources, with a central focus on the role of white allyship.

91% of HR directors responding to our pay survey were very confident (24%) or confident (67%) that their trust is making progress on tackling race equality, compared to 64% being confident (13% very confident, 51% confident) in progress at ICS-level. Respondents noted the largest barrier to progress is capacity, both in terms of time and resources, which is why it is essential that accountability for tackling race inequality is embedded as core work across organisations and at all levels. Others noted that increased diversity at senior leadership level is crucial. With regard to board prioritisation of promoting race equality and tackling discrimination, 87% of respondents to our 'State of the Provider Sector' report agreed (51%) or strongly agreed (36%) this was progressing well. These are positive findings, and we welcome the EDI-related messaging and recommendations included in the 'Leadership for a collaborative and inclusive future' report.<sup>36</sup> Despite this focus, however, it is clear that there remains much work to be done.

The 2021 national Workforce Race Equality Standard (WRES) report found that while overall ethnic minority representation in the workforce (22.4% compared to 17.7% in 2016) and at VSM-level has increased (9.2% compared to 7.9% in 2020), there has been a fall in the number of executive directors from an ethnic minority background from 155 in 2020 to 144 in 2021. This decrease is masked in the overall figures by improved diversity among non-executive directors (NEDs, from 181 in 2020 to 278 in 2021), bringing overall board diversity to 12.6% (from 10% in 2020).<sup>37</sup> Our annual remuneration survey found that regionally, London has the highest board diversity, with 18% of board members from a minority ethnic background compared to the South West and the North East and Yorkshire where only 5% of board members are from an ethnic minority background. When comparing trust types, we see that combined mental health, learning disability and community trusts have the highest proportion of ethnic minority board members (20%) compared to combined acute and community trusts where the figure stands at 5%. When broken down by director role, we find that ethnic minority board members are more likely to be medical directors (28%) or HR directors (16%), whereas the number of ethnic minority board members in roles related to communications, governance, and estates and facilities all stand at 1%.

---

<sup>35</sup> NHS Providers, programme, race equality: <https://nhsproviders.org/programmes/race-equality>

<sup>36</sup> NHS Providers, briefing, leadership for a collaborative and inclusive future: [https://nhsproviders.org/media/693695/46336\\_messenger-review-otdb\\_final.pdf](https://nhsproviders.org/media/693695/46336_messenger-review-otdb_final.pdf)

<sup>37</sup> NHS Providers, briefing, workforce race equality standard: <https://nhsproviders.org/media/693373/next-day-briefing-nhs-workforce-race-equality-standard-2021-8-april.pdf>

The Workforce Disability Equality Standard (WDES) gives valuable insight into the experience of disabled staff in the NHS, as well as information on board representation. It is welcome to see a year-on-year increase in the number of board members disclosing their disability (3.7% in 2021 compared to 2.0% in 2019), however the majority of trusts (58.5%) do not have a board member who has disclosed a disability.<sup>38</sup> The report notes that trusts with lower levels of 'unknown' disability declarations often have higher disabled senior staff representation, which suggests an inclusive leadership culture enables confidence to declare a disability at all levels of the workforce. While the proportion of disabled staff reporting a disability in the electronic staff record (ESR) has increased to 3.7%, this is significantly below the 23.2% of staff self-reporting a disability in the NHS staff survey and the national economy-wide disability disclosure rate of 22%.<sup>39</sup> This suggests there remain significant barriers to staff feeling able to disclose their disability to their employer – some of this is related to technology and the operability of ESR, but this is also related to psychological safety.

The results from our annual remuneration survey also include findings on gender diversity among VSMs, showing that 48% of executive directors are female and 51% are male, with 1% selecting 'prefer not to say'. These figures have remained relatively stable since 2018/19 when 47% of executive directors were female compared to 52% being male.<sup>40</sup> Regarding board role, our survey finds that female executives are more likely to be in nursing and quality (84%), communications (73%), human resources (65%), governance (65%), and operational (53%) roles compared to male executives. The results also show that chief executives are more likely to be male (53%, compared to 45% female and 2% other), while 91% of estates and facilities directors are male. With regard to qualifications held by chief executives, our survey notes that 16% of male chief executives are medically qualified, compared to 2% of female chief executives, yet 44% of female chief executives hold other clinical qualifications (compared to 16% of male chief executives). Analysis of the data submitted to our remuneration survey suggests a gender (basic) pay gap of 8.3% among executive directors, which equates to female directors receiving £11,714 less compared to their male peers. This gap has increased by 1.7%

---

<sup>38</sup> NHS England, workforce disability equality standard: <https://www.england.nhs.uk/wp-content/uploads/2022/05/Workforce-Disability-Equality-Standard-2021-data-analysis-report-NHS-trusts-foundations-trusts.pdf>

<sup>39</sup> NHS Providers, briefing, workforce disability equality standard: <https://nhsproviders.org/resources/briefings/next-day-briefing-2021-workforce-disability-equality-standard-wdes-report>

<sup>40</sup> It should be noted that this survey is not self-reporting and provides respondents with the option to select 'male/female/other/don't know or prefer not to say'. As the survey is not self-reporting, it does not ask if the director's gender matches the sex they were assigned at birth



since 2020/21 but is narrower than the 10.0% gap observed in 2019/20. Total reward analysis suggests a 11.4% gender pay gap in 2021/22 compared to 10.1% in 2020/21.

The findings above focus on three of the nine protected characteristics enshrined in the Equality Act 2010, but intersectionality is also key to understanding nuance of experience – a fact reflected in the WRES report's more granular data that shows ethnic minority women are, for example, more likely to experience abuse, bullying and harassment at work.<sup>41</sup> There is not a hierarchy of protected characteristics. It is, however, important for us to acknowledge the strong body of evidence that race is often associated with the worst outcomes for staff and patients.<sup>42</sup> We continue to expand our work in the space of equality, diversity and inclusion and would note that experiential data in both our submission to the PRB and DDRB highlights that LGBTQ+ staff are also disproportionately affected by higher levels of abuse, bullying and harassment than their peers. For staff under the PRB and DDRB's remit, there is limited data on the number of staff who identify as members of the LGBTQ+ community, while for the SSRB's remit group, aside developed networks for LGBTQ+ leaders in the NHS, there is also limited available data on members of these communities and also on their experiences in the workplace.

## Recruitment and system working

In our last submission to the SSRB, we stated that the NHS needed "to work harder and dedicate greater resources to further developing its leadership pipeline."<sup>43</sup> We have been supporting this approach. As noted earlier in this submission, we have held several roundtables with trust leaders and NHSE this year, in order to feed our members' views into the NHSE's leadership development work. From roundtables which informed the Messenger review, and which are currently informing NHSE's approach to leadership talent management, the consistent themes on recruitment and leadership pipelines have included the following:

- Ensuring there is increased diversity at senior leadership level needs to be central to developing a leadership pipeline.

---

<sup>41</sup> NHS Providers, briefing, workforce race equality standard: <https://nhsproviders.org/media/693373/next-day-briefing-nhs-workforce-race-equality-standard-2021-8-april.pdf>

<sup>42</sup> NHS Providers, resource, why we need to focus on race: <https://nhsproviders.org/development-offer/race-equality/why-we-need-to-focus-on-race>

<sup>43</sup> NHS Providers, submission, written evidence to the SSRB, p17: <https://nhsproviders.org/media/693036/nhs-providers-written-evidence-to-the-ssrb-2022.pdf>



- A centralised talent pipeline would need to take account of the impact this would have on place-level connection to public and local community.
- Talent pipelines need to begin two levels below executives to develop future leaders at the right time, with the possibility of embedding future leaders in a trust and locality and supporting them to progress there.
- This should be part of a shift to identifying and encouraging “homegrown” leaders. Many such leaders have not worked in different areas as part of their career development. There have been reflections on the fact that medical rotations are structured around training years when the majority of staff are younger and less likely to be settled, which could be mirrored in leadership talent management (rotations across sectors and regions). It is worth considering investing in educational opportunities to this end, and ICSs could facilitate cross trust learning and support. ICSs should also have a role in identifying and spreading talent evenly across their region.
- Positive reception of the idea of managed careers in the NHS, and comments that other organisations and companies (civil service, PwC, the army) have implemented this career system for years.
- It must be emphasised that joining a challenged organisation is a good thing to do, to build professional experience and develop, rather than hinder, a career in NHS leadership.

We have fed all of these points in to NHSE, and continue to engage with them in order to progress their talent management approach.

In our last submission to the SSRB we noted concern that the development of ICBs could complicate recruitment to VSM posts in trusts and FTs, given that NHSE aimed to have all ICB executive posts filled by the end of March 2022.<sup>44</sup> However, when asked in spring 2022 about the impact on executive director recruitment/retention, most trusts (80%) said there was no discernible impact. While we didn’t see a large movement of trust leaders into ICB roles this year, we believe that it would be worth the SSRB asking DHSC whether they feel assured that no structures are embedded in the framework – intentionally or otherwise – that encourage large-scale movement of senior leaders away from trusts and into ICB roles.

---

<sup>44</sup> Ibid.

We are hoping to see acknowledgement of the potential risks of competition for leaders between ICBs and trusts, and would like to be reassured that the framework will contain detail as to how pay levels have taken that into account.

Almost all chief executives reported some form of involvement with their local ICS/ICB/ICP (94%), of which 2% were involved in the ICP led by local government partners, 4% held another role in the ICB, 27% were involved as a provider 'partner member' on the ICB, 29% were involved in ICS related work at trust level, and 31% were involved in leading the delivery of part of the ICS work programme. When asked to estimate the amount of time that their chief executive spent working on their local ICS programme, trusts said that over a third (37%) spent up to 20% of their time, a further 27% spent 21-40%, and 8% spent 41-60%. The combined proportion who spent over 20% of their time on the ICS programme (36%) is slightly higher than in our previous survey (35%).

In addition, the proportion of executive directors in this year's survey who share their role with another trust was 7%, a slight increase from last year (6%). This was most common for those in corporate affairs/governance (25%) and IT/information (19%), and least common for operations (2%).

It is clear that the nature of VSM roles is becoming more complex, as moves towards increased partnership and system working require more engagement and input from senior leaders. It is important to reflect this not only in the new VSM framework, but also in the SSRB's pay recommendations this year.

## Further information and contact

We would be pleased to supply any further supplementary information and respond to questions from the Senior Salaries Review Body. We look forwards to discussing this written submission further in our scheduled oral evidence session.

For more information, please contact NHS Providers' workforce policy advisor, Sarah White, [sarah.white@nhsproviders.org](mailto:sarah.white@nhsproviders.org)