



Department of Health

POC5 830502

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From Dr Dan Poulter MP
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06 JAN 2014

Dear Steve,

Further to your recent parliamentary question (174354) in which you asked:

“With reference to the National Audit Office's report of July 2013, *Managing the transition to the reformed health system*, what the names of the 44 individuals referred to in paragraph 4.16 are; which NHS body each such individual was employed by; and how much the redundancy payment made to each such individual was”.

Your question was answered on 7th November, and included information about payments made to 23 individuals on the list that appeared in organisational remuneration reports published on 31st October 2013. In that answer, I also promised a further follow up note to cover information on the remaining 21 individuals. In order to provide as complete an answer to your question as possible, this letter now sets out the following:

1. Final information on the remaining 21 individuals
2. Corrections required to information on payments made to seven of the individuals included in the initial answer on 7th November.

To ensure full disclosure, this letter will also be published on the Department of Health website alongside the SHA and PCT accounts.

The “list of 44” was a list of SHA chief executives and directors and cluster PCT chief executives who, at the time of the NAOs report in July, were at risk of redundancy. The list included estimates of their potential redundancy payments should they be made redundant. Local remuneration committees were responsible for approving redundancy payments to their employees. The Department also had a ‘grandparent’ role, in relation to very senior managers to ensure that SHA remuneration committees followed due process and that all activity for the search for suitable alternative employment was rigorously carried out and recorded. For the purposes of the reforms, this ‘grandparent’ role was extended to include cluster PCT chief executives.

Final information on the remaining 21 individuals

Of the remaining 21 individuals referred to in paragraph 4.16 of the NAO report I am able to give you information on 13. Eight are not included as they had not received redundancy payments as at 31st March 2013. six of the eight had short term extended employment with another NHS body and

have since been made redundant. Their redundancy payments should be disclosed in their employers' 2013/14 remuneration reports. Two of the eight have extended employment with other NHS bodies and are still working. They should either secure permanent suitable alternative employment or be made redundant during 2013/14. Where they are made redundant, their payments should be disclosed in their employers' 2013/14 remuneration reports.

My officials have been looking into the matter in some detail and have also identified one individual who, as a PCT chief executive, should have been on the "list of 44" but was not. This individual had short term extended employment with another NHS body and has subsequently been made redundant. His redundancy payment should be disclosed in his employer's 2013/14 remuneration report.

Below is a table which provides the full exit package figures for the 13 remaining individuals who have received a redundancy payment.

Organisation	Name	Redundancy payment/Capitalised costs of early retirement (£000's)
Formerly employed by NHS London		
	Sara Coles	285-290
	Ruth Carnall	365-370
Formerly employed by PCTs based in the NHS Midlands and East area		
	Eamonn Kelly	285-290
	Denise McLellan	295-300
	Sheila Bremner	315-320
Formerly employed by NHS South of England		
	Richard Caves	185-190
	Nick Yeo	455-460
Formerly employed by PCT based in NHS South of England area		
	Jan Stubbings	250-255
Formerly employed by NHS North		
	Alan Spoors	210-215
	Rob Cooper	370-375
Formerly employed by PCTs in NHS North area		
	Janet Soo-Chung	405-410
	Steve Spoerry	335-340
	Annette Laban	285-290

My answer to your question set out details of 23 payments made to individuals that were disclosed in the 2012/13 remuneration reports.

My answer also included a note that the costs disclosed in the remuneration reports should include the redundancy cash sum and/or the cost to the employer of paying the early retirement costs to enable the redundant employee access to their full pension early. On investigation, it appears that in seven cases technical errors in the remuneration reports require correction. Either the cost of early retirement had not been included due to misinterpretation of the accounting guidance which says that the costs of early retirement on the grounds of redundancy should be included in disclosure or there was another error in the figures. The corrected information is now included in the table below, and will be placed in the public domain

It should be noted that although some of the remuneration report data were incomplete, this does not imply that the actual exit package figures disclosed in the PCT and SHA annual accounts are incomplete as the information is from different sources, exit package figures from SHA or PCT accounting systems, remuneration data from individual staff records held by the employer.

Formerly employed by NHS London	Name	Amount (£000s)
	Trish Morris-Thompson	305-310
	Teresa Moss	270-275
	Simon Tanner	265-270
Formerly employed by PCTs in NHS North area		
	Kathy Doran	245-250
	Mike Potts	275-280
	Alan Whittrick	255-260
	Chris Willis	320-325

Best wishes,



DR DAN POULTER