



Llywodraeth Cymru
Welsh Government

Welsh Government Pay Policy Statement 2022

This is the Welsh Government's seventh annual pay policy statement.

This Pay Policy Statement provides the framework for decision making on pay and in particular decision making on senior manager pay. It complements other information published on our website which is linked below. If you cannot find the information you are looking for, please contact **customerhelp@gov.wales**.



Andrew Goodall

Permanent Secretary

Introduction

I am pleased to present the 2022 Pay Policy Statement, my first since taking up the role as Permanent Secretary of the Welsh Government in November 2021. The Welsh Government recognises the importance of a pay and reward system that allows us to recruit and retain talented staff who are committed to delivering for the people of Wales.

I believe our pay system should be equal to all, appropriate, transparent, provide value for money and reward staff fairly for the work they perform. In addition to an employee's salary, the Welsh Government offers a comprehensive range of both financial and non-financial workplace benefits. These include membership of the Civil Service Pension Scheme, access to advance of salary and salary sacrifice arrangements, exceptional learning and development opportunities and employee wellbeing schemes as well as ways of working that build on the advances in technology and smart working that we have developed during the pandemic.

This statement sets out our approach to pay and the relationship between the employee's pay and the remuneration of senior management.

It has been prepared in accordance with the principles contained in the Welsh Government's 'transparency of senior remuneration in the devolved Welsh public sector' published in December 2016 – <https://gov.wales/sites/default/files/publications/2019-03/transparency-senior-pay-in-devolved-welsh-public-sector.pdf> and subsequent guidance produced by the Public Services Staff Commission – <https://gov.wales/sites/default/files/publications/2019-02/transparency-of-senior-salaries-in-the-devolved-public-sector.pdf>

A handwritten signature in black ink, appearing to read 'Andrew Goodall', written in a cursive style.

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Principles

Pay Principles

- The pay system will be affordable and represent good value for money for taxpayers.
- It will focus on ensuring equal pay for employees and action will be taken to address gender, ethnicity and disability pay gaps.
- Pay arrangements will be open, transparent and simple. Unneeded complexity will be removed.
- Simple salary progression with incremental pay scales will enable employees to quickly reach the rate of pay for their role. The real Living Wage (as defined by the Living Wage Foundation) will underpin salary rates and we will remain a real Living Wage accredited employer.

Legislative Framework

The Welsh Government has the power to appoint staff under section 52 of the Government of Wales Act 2006; and complies with all relevant employment legislation in determining the pay and remuneration of its staff. The Permanent Secretary has delegated responsibility from the First Minister under the Civil Service (Management Functions) Act 1992 for personnel functions, including pay matters.

Decision making including consideration of value for money

The Permanent Secretary is responsible for recommending to Ministers appropriate pay arrangements for delegated staff. Delegated staff are employees at Team Support, Executive Officer, Higher Executive Officer, Senior Executive Officer, Grade 7 and Grade 6 levels. Underpinning these arrangements, the HR Director is responsible for ensuring Trade Unions are fully engaged in pay negotiations, in the spirit of social partnership, and through a Collective Bargaining Agreement.

The vast majority of employees have terms and conditions of service, including pay, set by the Welsh Government. However, in line with TUPE regulations some staff from merged organisations may have opted to retain their former employer's terms and conditions of service. Such arrangements are not covered under the Welsh Government's collective bargaining arrangements.

The Welsh Government is proud of our strong social partnership working arrangements with Trade Union colleagues and work closely with them on pay related matters. Arrangements for the consultation and negotiation of pay are set out within a Collective Bargaining Agreement.

Pay awards for delegated staff are normally negotiated on an annual basis but alternative arrangements may be agreed, for example, where existing agreements cover an extended period.

Pay Arrangements

The Welsh Government's pay bands are shown at Annex 1. New appointments are normally recruited at the minimum of the relevant pay band. Under some circumstances, for example where there is clear market evidence, a new employee may be appointed to a higher rate within the scale. Salaries are then subject to an incremental increase each year until the maximum rate is reached (normally within 2-3 years). Individuals who are assessed as underperforming are not eligible for incremental progression. On promotion, starting pay is to the minimum of the pay band for the new grade. Staff numbers at all grades can be found at Annex 2.

The SCS salary range (which is determined by the UK Government) is also shown at Annex 1.

Additional Payments and Allowances

Depending on business requirements, employees may be eligible for the following additional payments during the course of delivering their role – temporary promotion allowance, professional allowances, and travel and subsistence. The Welsh Government also employs a small number of staff based in London who receive an allowance to reflect the additional cost of living and working in London.

Senior Pay

Role of the Permanent Secretary

Andrew Goodall took up post as Permanent Secretary in November 2021. The Permanent Secretary is the head of the Welsh Government Civil Service. The Welsh Government has a budget of £25.5bn and is responsible for a wide range of public services employing around 5,659 (full time equivalent) staff at 31 March 2022.

The Permanent Secretary is appointed on merit, following public advertisement of the post, by a panel usually including the Head of the Civil Service, a Civil Service Commissioner and an independent person from outside the Civil Service. Once appointed, the Permanent Secretary looks exclusively to the First Minister for direction, for their personal priorities and for the priorities of the Welsh Government civil service.

Permanent Secretary's pay

The Permanent Secretary's salary on appointment is decided by the Cabinet Office and approved by the Chief Secretary to the Treasury. The Permanent Secretary's salary range is £215,000-£220,000. Andrew Goodall was appointed Permanent Secretary from 1 November 2021 and he is seconded from Aneurin Bevan University Health Board. As a substantive NHS employee Andrew remains on NHS terms and conditions and is eligible for any NHS Wales pay awards made to the pay scale that he is part of. These will vary from pay awards made to staff on Welsh Government terms and conditions.

Details of the Permanent Secretary's pay are published in the annual remuneration report. This is contained within the Welsh Government's annual accounts and can be accessed here:

<https://gov.wales/welsh-government-consolidated-annual-accounts>.

Senior staff

Senior management roles are covered by Senior Civil Service (SCS) employees at Deputy Director, Director, Director General and Permanent Secretary levels. SCS pay is not delegated which means the Welsh Government implements SCS pay awards in accordance with the guidance produced by the UK Government, following recommendations from the Senior Salaries Review Body (SSRB). Further information on the SSRB can be found here – <https://www.gov.uk/government/organisations/review-body-on-senior-salaries>.

The Welsh Government’s SCS Remuneration Committee is responsible for recommending senior pay decisions and overseeing the management of performance, potential and talent of senior staff. The Committee ensures remuneration is handled in a fair and appropriate way and in line with Cabinet Office guidance. The Committee has some flexibility to operate within the guidance set by Cabinet Office, for example, the Welsh Government has not made any performance related variable (or bonus) payments to Welsh Government SCS employees since 2013. The Committee is chaired by a Non-Executive Director. A copy of the Remuneration Committee’s annual report for 2021-22 is attached at Annex 7. This contains further information on the Committee, its terms of reference and its membership.

A disclosure report for staff earning over £100,000 is attached at Annex 4.

The Welsh Government Board includes senior staff within the organisation. The Board is chaired by the Permanent Secretary and meets regularly. Its purpose is to advise the Permanent Secretary on key strategic decisions about the development of the organisation in order to support the Cabinet and deliver Ministerial objectives. The Board’s terms of reference can be found here – <https://gov.wales/sites/default/files/publications/2019-06/mb-terms-of-ref.pdf>

Details of the Board and Executive Committee members pay are published in the annual remuneration report contained in the Welsh Government’s consolidated annual accounts –

<https://gov.wales/welsh-government-consolidated-annual-accounts>.

Talent management

The Welsh Government’s talent management approach ensures that we provide equality of opportunity for everyone to demonstrate their potential and progress and, when we identify high potential individuals, we may differentiate in how we manage and develop them so that they are in more challenging and stretching roles. This allows talented staff to be placed in the correct posts to ensure a lasting, high level of sustainable performance.

A number of talent development schemes are available to Welsh Government staff at all levels, including participation in a number of Civil Service wide opportunities such as the Fast Stream; Future Leaders Scheme; and Senior Leaders Scheme. A range of targeted internal development schemes are also available in support of the organisation’s objective to be an exemplar in equality, diversity and inclusion.

Performance related pay

The Welsh Government does not offer performance related pay for delegated staff.

For senior staff, the SCS Remuneration Committee has some flexibility to offer performance related variable (or bonus) payments to SCS employees. However the Committee has not made any of these payments since 2013.

Equal pay and equality pay gap reporting

The Welsh Government undertakes regular equal pay audits designed to highlight areas of equal pay risk within the pay system. Our gender pay gap is published in our Annual Employer Equality Report. The reports can be found here [Welsh Government annual equality reports | GOV.WALES](#)

The Welsh Government's mean **gender pay gap** as at 31 March 2022 is **6.40%** meaning that on average men working in the organisation earn 6.40% more than women. As at 31 March 2022, the Welsh Government's median pay gap is 0%, meaning that the median salary for men and women working in the Welsh Government is the same.

Our published pay gap as at 31 March 2021 was 7.37%. Our methodology for calculating the pay gap has been revised slightly for 2022 to make it simpler and more transparent, but it means that the 2021 and 2022 figures are not directly comparable. The 2021 figure has been re-calculated using the revised methodology. This gives us a revised mean gender pay gap figure for 31 March 2021 of **7.02%**. Using these directly comparable figures, there has been a reduction in the Welsh Government's mean gender pay gap of **0.61%** percentage points in 2021-22.

While the organisation employs more women than men overall, they are not evenly spread across the grades. The majority of staff at lower grades are women. The Welsh Government staff pay award in 2021-22 was targeted at our lower grades, with staff from Team Support to HEO receiving a pay increase of 2-3.9% depending on salary while staff at higher grades received a 1% increase. This has helped to reduce the gender pay gap.

We will continue to take action to address our gender pay gap by supporting women at all levels of the organisation to develop and further their careers, and continuing to strive for a gender balanced Senior Civil Service.

For the first time this year, we are also able to publish disability and ethnicity pay gaps. The Welsh Government's **disability pay gap** as at 31 March 2022 is 5.85% meaning that on average those who are not disabled earn 5.85% more than those who are disabled. As at 31 March 2022, the Welsh Government's median disability pay gap is 0% meaning that the median salary is the same for colleagues who are disabled and are not disabled.

The Welsh Government's mean **ethnicity pay gap** as at 31 March 2022 is 5.38% meaning that on average those who are from a White background earn 5.38% more than those who are from a Black, Asian or Minority Ethnic background. As at 31 March 2022, the Welsh Government's median ethnicity pay gap is 0% meaning that the median salary is the same for colleagues from a White background and colleagues from a Black, Asian or Minority Ethnic background.

Support for lower paid staff

One of the Welsh Government's key principles is a focus on addressing low pay and supporting the Living Wage.

The Welsh Government is an accredited Living Wage employer and all directly employed staff (including apprentices) are paid a Living Wage, as defined by the Living Wage Foundation. Action is taken each year to ensure that salaries remain compliant with any rate changes defined by the Living Wage Foundation.

Our Living Wage arrangements go further than directly employed staff. In all new Welsh Government procurements the opportunity for our contractors to pay staff a Living Wage is considered.

Highest and lowest pay point

The lowest pay within the Welsh Government is the starting rate within the Team Support salary range. The highest paid member of staff is currently the Permanent Secretary. The pay comparisons (provided at Annex 3) therefore relate to the Permanent Secretary and delegated staff salaries.

Exit policy

To support organisational development the Welsh Government may from time to time elect to run voluntary severance exercises. In such circumstances employees will be offered compensation within the framework set out in the Civil Service Compensation Scheme. All severance activity is supported by a business case which includes cost benefit analysis.

Off-payroll engagements

Details of the Welsh Government's off-payroll arrangements are at Annexes 5 and 6.

Appendices

This statement is accompanied by the following annexes (information as at 31 March 2022):

- Annex 1 – Welsh Government pay bands (Delegated Staff and Senior Civil Service)
- Annex 2 – Staffing grade breakdown
- Annex 3 – Pay relativities within the Welsh Government
- Annex 4 – Welsh Government senior salary report
- Annex 5 – Off-payroll engagements lasting longer than six months
- Annex 6 – Off-payroll engagements of Board members/senior officials with financial responsibility
- Annex 7 – Welsh Government SCS Remuneration Committee Annual Report 2021-22.

Annex 1

Welsh Government Pay Bands (Delegated Staff and Senior Civil Service) – 1 April 2021 – 31 March 2022

Pay Bands – Senior Civil Service ¹	Pay Point	Salary
Permanent Secretary (Tier 1, 2 and 3)	Maximum	£200,000 ¹
	Minimum	£142,000
Director Generals (SCS Pay Band 3)	Maximum	£208,100 ²
	Minimum	£120,000
Director (SCS Pay Band 2)	Maximum	£162,500
	Minimum	£93,000
Deputy Director (SCS Pay Band 1)	Maximum	£117,800
	Minimum	£71,000
Pay Bands – Delegated Staff	Pay Point	Salary
Grade 6	4	£75,480
	3	£70,390
	2	£66,900
	1	£64,520
Grade 7	4	£61,440
	3	£57,190
	2	£54,280
	1	£51,380
Senior Executive Officer	4	£47,470
	3	£44,200
	2	£41,980
	1	£40,100
Higher Executive Officer	4	£38,160
	3	£35,180
	2	£33,190
	1	£31,210
Executive Officer	3	£29,430
	2	£26,820
	1	£25,860
Team Support	3	£24,630
	2	£22,960
	1	£21,300

¹ Andrew Goodall was Director General HSSG and Chief Executive NHS Wales for the period 1 April 2021 to 31 October 2021, and then Permanent Secretary from 1 November 2021 to 31 March 2022. His salary pay banding of £215,000 to £220,000 reflects the payments in total received for both those roles in the year, his comparable Full Time Equivalent Salary as Permanent Secretary is £215,000 to £220,000. Andrew Goodall is seconded from Aneurin Bevan University Health Board and he has chosen not to be covered by the NHS Pension arrangements.

² Judith Paget was appointed Director General, Health and Social Services Group and Chief Executive NHS Wales from 1 November 2021, her comparable Full Time Equivalent salary is £215,000 to £220,000. She is seconded from Aneurin Bevan University Health Board and is part of the NHS pension scheme.

Annex 2

Staffing grade breakdown – as at 31 March 2022

Pay Bands	FTE
Senior Civil Service	182.1
Grade 6	246.0
Grade 7	922.7
Senior Executive Officer	1,236.6
Higher Executive Officer	1,404.8
Executive Officer	981.0
Team Support	656.8
Other	29.9
Total (rounded)	5,660

Annex 3

Pay Relativities within the Welsh Government – as at 31 March 2022

The lowest pay within the Welsh Government is the starting rate in the Team Support salary range. The highest paid member of staff is currently a Permanent Secretary level role. The pay comparisons therefore relate to the Permanent Secretary and the highest and lowest range of Director Generals' salaries. As the former Permanent Secretary's remuneration was reduced from 1 April 2018 when she elected to end her pension contributions and to benefit from her pension, the comparison year on year of the relationship to the median salary therefore is distorted for this impact and for the change of Permanent Secretary from 1 November 2021. In 2021-22 the highest paid director is also the Permanent Secretary, additional disclosures for the Permanent Secretary for the following disclosures are therefore not required.

The ratios in the table below are calculated by using the actual salary of the lowest paid employee and the actual median salary, divided by the mid-point of the salary banding for the highest paid employee and Director Generals.

Multiple of Salary		Ratio
Ratio Low to High	The multiple between the annual salary of the lowest (£20,000-£25,000) and highest (£215,000-£220,000) paid employee	1 to 10.21
Ratio Low to Director General	The multiple between the annual salary of the lowest paid employee (£20,000-£25,000) and the Director Generals (Highest paid – £125,000-£130,000) (Lowest paid – £120,000-£125,000)	Highest – 1 to 5.99 Lowest – 1 to 5.75
Ratio Median to High	The multiple between the median salary (£38,160) of the Welsh Government and the highest paid employee (£215,000-£220,000)	1 to 5.70
Ratio Median to Director General	The multiple between the median salary (£38,160) of the Welsh Government and the Director Generals (Highest paid £125,000-£130,000) (Lowest paid £120,000-£125,000)	Highest – 1 to 3.34 Lowest – 1 to 3.21

The relationship between the highest paid director remuneration and the lower, median and upper quartiles are shown below:

Year		25th Percentile	Median	75th Percentile
2021-22	Pay Ratio (:1)	7.4	5.7	4.6
	Quartile remuneration (£)	29,430	38,160	47,470
2020-21	Pay Ratio (:1)	7.2	5.5	4.4
	Quartile remuneration (£)	28,850	37,410	47,000

In 2021-22 and 2020-21 no employees received remuneration in excess of the highest paid director.

Reporting bodies are also now required to set out the percentage remuneration change from the previous financial year for the highest paid director; and the average percentage change from the previous financial year in respect of the employees of the entity taken as a whole.

	Remuneration percentage change – highest paid director	Remuneration average percentage change – employees as a whole
2021-22	4.80%	2.30%

The Welsh Government's pay award in 2021-22 was split depending on salary. Staff earning below £24,000 got an £800 increase. Staff earning between £24,001 and £40,000 got a 2% increase. Staff earning between £40,001 and £80,000 got a 1% increase. Staff earning over £80,000 got an £800 increase. The Senior Civil Service were subject to the UK Government's pay pause in 2021-22, meaning that there was no SCS pay award. As explained above, the Permanent Secretary is on NHS Wales terms and conditions and receives NHS Wales pay awards as appropriate, rather than Welsh Government SCS pay awards.

The required calculation for the highest paid director percentage compares the mid-point of the remuneration banding 2021-22 £215,000-£220,000 (2020-21: £205,000-£210,000), rather than the percentage change in actual salary. Using the mid-point of the band for calculation can distort the calculation compared to the actual award received, if the actual change is to move an individual from the upper end of a band in one year to the lower end of a band in the next. For 2021-22 the remuneration percentage change arising from this calculation is higher than the pay award received by the highest paid director.

Annex 4

Welsh Government Senior Staff Salaries as at 31 March 2022 – Welsh Government earning £100,000 or over in bands of £5,000

Employee	Salary Range £000	Description	Sex	Actual Salary range if part time £000
Francis Atherton	200-205	Directorate Of Health Policy	M	N/A
Gillian Baranski	125-130	Care Insp. Wales (CIW)	F	N/A
Piers Bisson	100-105	European Transition	M	N/A
Simon Brindle	100-105	Recovery & Restart Director	M	N/A
Nigel Brown	105-110	CAFCASS Cymru	M	N/A
Tracey Burke	125-130	Director General – DFES	F	N/A
Desmond Clifford	125-130	Director General – OFM	M	N/A
Gian Currado	100-105	European Programmes Group	M	N/A
Jo-Anne Daniels	100-105	Test, Trace & Protect	F	N/A
Huw Davies	100-105	Office of the Legislative Counsel	M	N/A
Manon Davies	100-105	Office of the Legislative Counsel	F	N/A
Simon Dean	130-135	Delivery and Performance	M	N/A
Gawain Evans	105-110	Finance & Commercial	M	N/A
Sioned Evans	100-105	Business & Regions	F	N/A
Christianne Glossop	105-110	OCVO	F	N/A
Peter Halligan	105-110	Science Policy	M	N/A
Albert Heaney	130-135	Social Services & Intergration	M	N/A
Dylan Hughes	105-110	Office of the Legislative Counsel	M	N/A
Andrew Jeffreys	100-105	Treasury	M	N/A
Chris Jones	165-170	Healthcare Quality	M	N/A
Peter Jones	100-105	Public Health	M	N/A

Employee	Salary Range £000	Description	Sex	Actual Salary range if part time £000
Peter Kennedy	100-105	HR Director	M	N/A
Helen Lentle	100-105	Office of Counsel General Group	F	N/A
Clemency Macnamara	100-105	Office of the Legislative Counsel	F	N/A
Neil Martin	100-105	Office of the Legislative Counsel	M	N/A
Marcella Maxwell	100-105	Finance and Operations	F	N/A
Dean Medcraft	105-110	Finance and Operations	M	N/A
Reg Mitchell-Kilpatrick	120-125	Local Government	M	N/A
Shan Morgan	160-165 ²	Permanent Secretary	F	N/A
Huw Morris	120-125	Group Director	M	N/A
Timothy Render	100-105	European Programmes Group	M	N/A
Peter Ryland	100-105	Welsh European Funding Office	M	N/A
Andrew Slade	125-130	Economic Development Group	M	N/A
Jason Thomas	100-105	Culture, Sport and Tourism	M	N/A
David Warrender	105-110	Digital Infrastructure	M	N/A
John Coyne	110-115	Commercial Procurement	M	N/A

- 2 Shan Morgan stepped down as Permanent Secretary of the Welsh Government on 31 October 2021. Shan Morgan elected to end her pension contributions and to benefit from her pension on 31 March 2018. In accordance with Civil Service Pension Scheme rules her salary was reduced from 1 April 2018 onwards. On departure she received payment of £80,519 relating to pay in lieu of notice, annual leave untaken and an extra-contractual payment amounting to £39,123 (of which £30,289 was accrued at 31 March 2021 as part of the general Employee Benefits accrual) in relation to partial retirement days for which Shan worked, without pay – this is included within this banded disclosure. Her salary had been reduced since 1 April 2018 when she elected to end her pension contributions and to benefit from her pension. Typically, where an individual elects to end their pension contributions and to benefit from their pension, hours are reduced to align to reduced salary. In this case, the exceptional demands of the COVID pandemic required her to work full time and weekends with no opportunity to accommodate partial retirement days. Expected practice in these circumstances would be for individuals to recover the days worked through additional leave taken once the exceptional pressures have passed. In the case of the Permanent Secretary her agreed departure date was brought forward which did not allow for compensating days off to be taken.

FT Salaries over £100k but paid less than £100k:

Employee	Salary Range £000	Description	Sex	Actual Salary range if part time £000
Claire Bennett	100-105	Communities & Tackling Poverty	F	95-100
Colette Bridgman	100-105	Primary Care	F	45-50
Frances Duffy	100-105	Primary Care & Health Science	F	40-45
Sara Hayes	115-120	NHS Directorate Group	F	15-20
John Howells	110-115	Co-operation Agreement Unit	M	80-85
Joanna Jordan	100-105	Mental Health, Vulnerable Groups & NHS Governance	F	60-65
Terence Kowal	100-105	Office of the Legislative Counsel	M	95-100
Carla Lyne	100-105	EPS Operations Team	F	95-100
David Richards	105-110	Governance & Performance	M	75-80
Daniel Stephens	110-115	Fire Services Branch	M	70-75
Lorraine Williams	100-105	Culture Department	F	95-100

Annex 5

For all off-payroll engagements as of 31 March 2022 and for more than £245 per day

	Total	Economy	CSA	RA	EWL	HSS	FLG	SJ	CC
No. of existing engagements as of 31 March 2021.	110	9	19	13	6	50	9	1	3
Of which...									
No. that have existed for less than one year at time of reporting.	46	6	12	2	0	23	1	0	2
No. that have existed for between one and two years at time of reporting.	20	0	2	6	0	12	0	0	0
No. that have existed for between two and three years at time of reporting.	17	2	3	1	1	9	1	0	0
No. that have existed for between three and four years at time of reporting.	12	0	1	0	3	2	4	1	1
No. that have existed for four or more years at time of reporting.	15	1	1	4	2	4	3	0	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

Annex 6

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

	Total	Economy	CSA	RA	EWL	HSS	FLG	SJ	CC
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	4	0	1	0	0	3	0	0	0

Annex 7

Title of paper:	Senior Civil Service (SCS) Remuneration Committee: Annual Report 2021-2022
Purpose of paper:	This report summarises the issues considered by the SCS Remuneration Committee for the period 1 April 2021 to 31 March 2022.
Action required by the Board:	No decision needed. The Board is invited to discuss the report.
Official presenting the paper:	Ellen Donovan, Non-Executive Director and Chair of the SCS Remuneration Committee.
Paper prepared by:	Evelyn Edwards.
Publication:	This paper should be published.
Date submitted to Secretariat:	

1 Background

1.1 This report covers the period 1 April 2021 to 31 March 2022. The Committee met 7 times during the reporting period on the following dates:–

- 08 June 2021
- 15 July 2021
- 27 September 2021
- 21 October 2021
- 2 December 2021
- 10 January 2022
- 18 March 2022

1.2 The attendance of Committee members at the meetings covered by this report was as follows:–

Name	Number of Meetings Attended
Shan Morgan Permanent Secretary	3 of 3
Andrew Goodall DG Health/NHS Chief Executive	2 of 4
Andrew Goodall Permanent Secretary *	3 of 3
Tracey Burke DG Education & Public Services	6
Andrew Slade DG Economy Skills & Natural Resources	5
Des Clifford DG Office of the First Minister	5
Judith Paget DG Health/NHS Chief Executive **	2 of 2
Ellen Donovan (Chair) Non-Executive Director	7
Meena Upadhyaya Non-Executive Director	7
Gareth Lynn Non-Executive Director	7
Peter Kennedy HR Director	7

* First meeting as Permanent Secretary 2 December

** First meeting 10 January

1.3 The Committee's Terms of Reference and Membership are at Annex A.

1.4 The Committee considered the following issues during the course of the year:–

- The Senior Salaries Review Board report and recommendations on SCS pay, pay anomalies within the SCS pay bands and Cabinet Office proposals on capability-based pay for SCS.
- Continuing implications of COVID-19 on SCS staffing including Restart & Recovery.
- Director Succession Planning.
- Future Shape of the organisation.
- SCS performance management, including moderation and, new performance management system for 21/22.
- Welsh Government candidates for state honours.
- The recruitment processes for all SCS posts which had either become vacant or were new posts, including agreement on whether to advertise the posts internally or externally, setting the salary range and whether executive search should be used. This included the consideration of all TDA requests into the SCS and, if a TDA was approved, the route for filling that TDA.
- A review of the statistics from the Deputy Director generic recruitment scheme.
- Simplifying and standardising the approval arrangements and resourcing routes for SCS roles.

2. Chair's Summary

2.1 The Committee's primary focus continues to be the oversight of the pay strategy for the SCS, with particular regard to the use of the flexibilities built into the system and pay equality.

2.2 The other main focus is SCS recruitment and headcount, including challenge on location of posts, budgets and structures, to include an annual review of statistics.

2.3 Chair's Aims – the aims for the year ahead include:

- Supporting the Permanent Secretary with his Organisational Development Programme WG 2025, Improving Efficiency, Smart Working initiatives and Priority Resourcing.
- Commitment to the Anti-racist Wales Action plan, increasing diversity in the SCS and developing the Equality Diversity and Inclusion Strategy 2021-2026.
- Continued commitment to the organisational use of social model of disability.
- To hold four strategic meetings a year to tie in with wider decision-making timetable.
- The role of Non-Executive Directors in Talent management.
- Continuing to establish that there are successors for all key SCS posts and, monitoring management information and trends for SCS staffing and posts.

2.4 I am grateful to the members of the Committee for their contribution to all the issues and decisions we have made; their careful consideration and the balanced views they bring, help us to ensure that we handle the matters before us sensitively, fairly, consistently and at pace to meet the needs of the organisation. I am also grateful to Peter Kennedy, Sonia Morgan, Evelyn Edwards and her team for their work in support of the Committee and the effective discharge of its duties.

3. Resource implications

3.1 This is an update report and all the areas and issues raised are covered by existing financial and staffing resources.

4. Risks

4.1 Any risks are appropriately recorded and monitored in a separate risk register.

5. Communication

5.1 This report is to be published on the intranet as well as the internet.

6. General Compliance Issues

6.1 None.

Senior Civil Service Remuneration Committee

Terms of Reference

Please note that these are the current terms of reference but they are being reviewed and updated as part of work to improve governance arrangements to address recommendations made by Audit Wales.

1. The Senior Civil Service Remuneration Committee is a Sub-Committee of the Board.

It was established to:–

- Determine and publish the Welsh Government’s SCS Pay Strategy, report on the operation of the pay round and on any lessons for the future, ensure that the average increase to the SCS pay bill is within the centrally determined budget, monitor pay outcomes to ensure that any difference are justifiable.
- Formally advise the First Minister to allow him to discharge his responsibilities as the Minister for the Civil Service in Wales.
- Oversee the process of assessment and moderation for SCS members.
- Determine if, and by how much, individual salaries should increase following JESP score increases (subject to Cabinet Office guidelines).
- Agree the recruitment processes for all SCS posts and agree on a case-by-case basis to the setting of starting salaries above the minimum of the SCS pay ranges.

Membership

2. The current membership of the Committee is as follows:–

- The Permanent Secretary
- Three Non-Executive Directors including Chair
- DG Health/NHS Chief Executive
- DG Education & Public Services
- DG Economy Skills & Natural Resources
- DG Office of the First Minister
- HR Director
- HR Secretariat