



Board Meeting: 29 June 2012

## AGENDA ITEM: 5

<b>Title of paper:</b>	<b>Senior Civil Service (SCS) Remuneration Committee: Annual Report 2011-2012</b>
<b>Purpose of paper:</b>	This report summarises the issues considered by the SCS Remuneration Committee for the period 1 April 2011 to 31 March 2012.
<b>Action required by the Board:</b>	No decision needed, but the Board is invited to note and discuss the report.
<b>Official presenting the paper:</b>	James Turner, Non-Executive Director
<b>Paper prepared by:</b>	Carys Portelli, PPCS

## 1. Background

- 1.1 This report covers the period 1 April 2011 to 31 March 2012. The Committee met 9 times during the reporting period on the following dates:

27 May 2011  
 24 June 2011  
 22 July 2011  
 30 September 2011  
 21 October 2011  
 25 November 2011  
 27 January 2012  
 24 February 2012  
 30 March 2012

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

NAME	NUMBER OF MEETINGS ATTENDED
James Turner (Chair)	9
Dame Gillian Morgan	8
Elan Closs Stephens (Non-Executive Director)	7
Sir Adrian Webb (appointed as a Non- Executive Director in January 2012)	3
Emyr Roberts	9
Bernard Galton	7

- 1.3 The Committee's Terms of Reference and Membership are at **Annex A**.
- 1.4 The Committee's primary focus during the reporting period was the implementation and communication of the SCS pay award for the 2010-2011 performance year. This included agreeing the final structure of the award, the final performance tranche marks and variable pay award distribution and considering any pay anomalies within the SCS pay bands. The process was finalised in July and variable pay awards were paid that month in line with the Cabinet Office guidance. A base pay freeze was confirmed until April 2013.
- 1.5 In addition, the Committee considered the following issues during the course of the year:

The arrangements for the current and future SCS pay rounds.

Welsh Government candidates for state honours.

A number of individual requests for salary reviews which resulted from JESP score increases.

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 openly, setting the salary range and whether executive search should be used.

Nominations for the High Potential Development Scheme and Whitehall and Industry Group's Senior Leadership Programme.

Proposals for some DG area restructuring.

Applications for voluntary exit from SCS members.

## **2. Chair's Summary**

- 2.1 The Committee's primary focus continues to be the oversight of the design and implementation of the annual pay strategy for the SCS, with particular regard to the use of the flexibilities built into the system.
- 2.2 Although our focus continues to be on the overall SCS pay process, rather than on individual pay decisions, we have also considered a number of other issues this year. For example, we received reports on the work being done in Whitehall on SCS Reward Reform and from the Civil Service Reform Group, of which the Permanent Secretary and Bernard Galton are members.
- 2.3 The Committee also considered several applications from SCS members for voluntary exits.
- 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 helps us to ensure that we handle the matters before us sensitively, fairly and consistently. I am also grateful to Peter Kennedy and Carys Portelli for their work in support of the Committee and the effective discharge of its duties.
- 2.5 Emyr Roberts' membership of the Committee came to an end in March and I would like to repeat mine and the Committee's thanks to him for his contributions over the last 3 years.
- 2.6 June Milligan became a member from April 2012.

## **3. Resource implications**

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

**4. Risks**

4.1 None.

**5. Communication**

5.1 This is a routine report and there are no key messages for staff.

**6. General Compliance Issues**

6.1 None.

**7. Recommendation**

7.1 The Board is invited to note and discuss the report.

---

**Publication**

This paper should be published.

**Date submitted to Secretariat:** 11 June 2012

ANNEX A

**SENIOR CIVIL SERVICE REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

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.

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.

Ensure that the average increase to the SCS paybill is within the centrally determined budget.

Monitor pay outcomes to ensure that any differences are justifiable.

Ensure that those SCS members in the lower tranche who need extra help to improve their performance are appropriately supported and developed.

Ensure that line managers receive feedback on final pay decisions so that they can explain to individuals how these have been reached.

Examine the quality of managers' evidence and recommendations through occasional review of particular reports.

Report on the operation of the pay round and on any lessons for the future.

Determine if, and by how much, individual salaries should increase following JESP score increases (subject to Cabinet Office guidelines).

Agree on a case by case basis to the setting of starting salaries above the minimum of the SCS pay ranges.

Agree the recruitment processes for all SCS posts.

**Membership**

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

James Turner (Non-Executive Director and Chair)  
Elan Closs Stephens (Non-Executive Director)  
Sir Adrian Webb (Non-Executive Director)  
Dame Gillian Morgan (Permanent Secretary)  
Bernard Galton  
June Milligan

Peter Kennedy (Adviser)  
Carys Portelli (Secretariat)

3. Director General membership is rotated on a bi-annual basis.

May 2012