



Board Meeting: 28 June 2013

AGENDA ITEM: 6

Title of paper:	Senior Civil Service (SCS) Remuneration Committee: Annual Report 2012-2013
Purpose of paper:	This report summarises the issues considered by the SCS Remuneration Committee for the period 1 April 2012 to 31 March 2013.
Action required by the Board:	No decision needed. The Board is invited to discuss and note the report.
Official presenting the paper:	James Turner
Paper prepared by:	Carys Portelli

1. Background

1.1 This report covers the period 1 April 2012 to 31 March 2013. The Committee met 9 times during the reporting period on the following dates:-

- 27 April 2012
- 20 July 2012
- 28 September 2012
- 26 October 2012
- 30 November 2012
- 21 December 2012
- 25 January 2013
- 22 February 2013
- 22 March 2013

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) (Non-Executive Director)	9
Derek Jones*	6
Gillian Morgan**	1
Elan Closs Stephens (Non-Executive Director)	8
Sir Adrian Webb (Non-Executive Director)	8
June Milligan	9
Bernard Galton	9

*Derek Jones appointed as Permanent Secretary in October 2012

**Gillian Morgan retired as Permanent Secretary in August 2012

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 2011-2012 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;
 - Proposals for the resourcing of agreed DG area restructuring;
 - Applications for voluntary exit from SCS members.
- 1.6 The Permanent Secretary consulted with the Non-Executive Director members of the Committee for his annual appraisal of the Director Generals.
- 1.7 The Non-Executive Directors provided input to the Head of the UK Civil Service for his annual appraisal of the Permanent Secretary.

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.
- 2.3 The Committee also met the Welsh link Civil Service Commissioner following her appointment and discussed issues around recruitment processes, etc.
- 2.4 The Committee also considered several applications from SCS members for voluntary exits.

2.5 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, consistently and at pace to meet the needs of the organisation. 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.

3. Resource implications

31 This is an update report and all of the areas and issued 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.

Publication

This paper should be published.

Date submitted to Secretariat: 29 May 2013

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)
 - Derek Jones (Permanent Secretary)
 - Bernard Galton
 - June Milligan
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- Peter Kennedy (Adviser)
 - Carys Portelli (Secretariat)
3. Director General membership is rotated on a bi-annual basis.