



Board Meeting: 17 July 2015

AGENDA ITEM: 1

Title of paper:	Senior Civil Service (SCS) Remuneration Committee: Annual Report 2014-2015
Purpose of paper:	This report summarises the issues considered by the SCS Remuneration Committee for the period 1 April 2014 to 31 March 2015.
Action required by the Board:	No decision needed. The Board is invited to discuss the report.
Official presenting the paper:	James Turner, Non-Executive Director and Chair of the SCS Remuneration Committee
Paper prepared by:	Evelyn Edwards, SCS Remuneration Committee Secretariat

1. Background

1.1 This report covers the period 1 April 2014 to 31 March 2015. The Committee met 9 times during the reporting period on the following dates:-

- 2 May 2014
- 20 June 2014
- 18 July 2014
- 26 September 2014
- 28 November 2014
- 19 December 2014
- 30 January 2015
- 27 February 2015
- 27 March 2015

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)	8
Sir Derek Jones	8
Elan Closs Stephens (Non-Executive Director)	7
Sir Adrian Webb (Non-Executive Director)	9
June Milligan *	3 of 3
James Price *	6 of 6
Peter Kennedy	8

*June Milligan's term ended in July 2014 and James Price replaced her on rotation in September 2014.

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 ;
- SCS performance management, including moderation;
- The consideration of pay anomalies within the SCS pay bands;
- 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;
 - Nominations for the High Potential Development Scheme and Senior Leader Scheme;
 - Proposals for restructuring in ES&T and Health. After careful consideration of organisational structures 10 recruitments were approved during the year;
 - Applications for voluntary exit from SCS members. 5 applications were approved;
 - Estyn Remuneration Committee's end year Assessment of the Chief Executive;
 - The Williams Report and the implications on LGC;
 - Commissioned the review of Greenpark Executive Search;
 - The report by IAS on recruitment in Welsh Government including the SCS;
 - Senior Mentor Scheme, the 3 Non-Executive Director members of the Committee are each mentoring a member of the SCS.
- 1.5 The Permanent Secretary consulted with the Non-Executive Director members of the Committee for his annual appraisal of the Director Generals.
- 1.6 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 pay strategy for the SCS, with particular regard to the use of the flexibilities built into the system.
- 2.2 Our other main focus is SCS recruitment and headcount including challenge on location of posts.
- 2.3 My aim for the year ahead is to continue to ensure wider awareness of the Committee. The National Officer of the FDA attended one meeting and will continue to attend at least one meeting a year.

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, consistently and at pace to meet the needs of the organisation. I would especially like to thank June Milligan for her excellent contribution to the Committee and her attendance at Director Panel moderating meetings in Whitehall. I am also grateful to Peter Kennedy, 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 of 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.

Publication

This paper should be published.

Date submitted to Secretariat: 15 June 2015

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)

- Sir Derek Jones (Permanent Secretary)
 - James Price (Director General)
 - Peter Kennedy (Adviser)
 - Evelyn Edwards (Secretariat)
3. Director General membership is rotated on a bi-annual basis.