



Llywodraeth Cymru  
Welsh Government

# Welsh Government Pay Policy Statement 2024

**This is the Welsh Government's ninth 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](mailto:customerhelp@gov.wales)

**gov.wales**



**Andrew Goodall**

Permanent Secretary

## Introduction

I am pleased to present the 2024 Pay Policy Statement.

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, particularly in these continued challenging times.

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 recent advances in technology and smart working.

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 and subsequent guidance produced by the Public Services Staff Commission.

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. Unnecessary 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 head of the Civil Service in Wales and acts as the Principal Accounting Officer for the Welsh Government. The HR Director 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 providing expert advice and guidance on all HR and pay related matters, and 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 had a budget of £25.719 billion for 2023-24 and is responsible for a wide range of public services employing 5,782 (full time equivalent) staff as at 31 March 2024.

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 £230-235k. 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 at: [gov.wales/welsh-government-consolidated-annual-accounts](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 at – [www.gov.uk/government/organisations/review-body-on-senior-salaries](http://www.gov.uk/government/organisations/review-body-on-senior-salaries).

The People and Remuneration Committee is a sub-committee of the Welsh Government Board. For part of the year this operated as the SCS Remuneration Committee which was responsible for Senior Civil Service (SCS) pay and conditions, senior succession planning, recruitment and all SCS personnel cases.

In November 2023 the Remuneration Committee was repurposed as a strategic advisory body and renamed People and Remuneration Committee. Its newly defined purpose is to provide challenge, direction and assurance on people related strategies and initiatives, key risks and opportunities, and deal with less operational detail. In order to move away from some of the SCS operational matters that sat with the Remuneration Committee, the Workforce Delegation and Accountability framework was amended to extend delegated recruitment and resourcing decisions and accountability to Directors General. The new People and Remuneration Committee will retain statutory responsibilities for, and oversight of, the application of SCS terms and conditions including the performance management framework, pay strategy and pay awards and will be updated on regular analysis of workforce trends for our SCS. A copy of the Committee's annual report for 2023-24 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 and Non-Executive Directors. 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 at – [gov.wales/sites/default/files/publications/2019-06/mb-terms-of-ref.pdf](http://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 – [gov.wales/welsh-government-consolidated-annual-accounts](http://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 People and 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 at [Welsh Government annual equality reports | GOV.WALES](#)

Equal pay analysis is undertaken by Welsh Government Knowledge and Analytical Services to ensure that the data is statistically robust and comparable.

The staff numbers noted below will not match the FTE figure cited earlier in this report, as the data is reported for staff not FTE and will be affected by whether certain data has been declared allowing for analysis.

## Gender Pay Gap

Figures below are based on a total of 5,972 staff: made up of 3,624 women (61%) and 2,348 men (39%).

	Female average (mean) pay	Male average (mean) pay	Mean gender pay gap	Female median pay	Male median pay	Median gender pay gap
Salary	£45,774	£48,681	5.97%	£42,955	£43,785	1.90%
Hourly pay	£23.79	£25.30		£22.33	£22.76	

The mean gender pay gap has increased slightly from 5.77% in March 2023 to 5.97% in March 2024. It has generally seen a trend of decreasing over time, with the last exception being in March 2021 when it saw an increase. The main driver of the gender pay gap in the organisation is likely to be the lower proportion of female staff at higher grades.

## Ethnicity Pay Gap

Figures below are based on a total of 5,973 staff: 180 Black, Asian and Minority Ethnic (3%) and 5,269 White staff (97%). 524 staff who have not declared their ethnicity on the HR system were excluded.

	Ethnic minority average (mean) pay	White average (mean) pay	Mean ethnicity pay gap	Ethnic minority median pay	White median pay	Median ethnicity pay gap
Salary	£45,551	£47,300	3.70%	£41,675	£43,785	4.82%
Hourly pay	£23.67	£24.58		£21.66	£22.76	

The mean ethnicity pay gap has decreased slightly from 4.13% in March to 3.70% in March 2024. The ethnicity pay gap increased between March 2019 and March 2021 but has decreased each year since then.

Small changes in the grade mix may have a large effect given the small numbers, so increases in staff at higher grades and the recruitment of staff at lower grades may have had an impact. Therefore, we might expect the ethnicity pay gap to be somewhat volatile over time and so changes over time should be interpreted with caution.

## Disability Pay Gap

Figures below are based on a total of 5,973 staff: 390 reported being disabled (7%) and 5,252 reported not being disabled (93%). 331 staff who have not declared whether they are disabled on the HR system were excluded.

	Disabled average (mean) pay	Not disabled average (mean) pay	Mean disability pay gap	Disabled median pay	Not disabled median pay	Median disability pay gap
Salary	£45,520	£47,525	4.22%	£41,675	£43,785	4.82%
Hourly pay	£23.66	£24.70		£21.66	£22.76	

The mean disability pay gap has decreased from 5.83% in March 2023 to 4.22% in March 2024. It has generally seen a trend of decreasing over time, with the exception of a small increase in March 2021.

The narrowing pay gap over the years could be driven by the increase in disabled staff at higher grades.



## Sexual Orientation Pay Gap

Figures below are based on a total of 5,973 staff: 268 reported having a minority sexual orientation (5%) and 4,663 reported being heterosexual (95%). 1,042 staff who have not declared their sexual orientation on the HR system were excluded.

	Minority sexual orientation average (mean) pay	Hetero-sexual average (mean) pay	Mean sexual orientation pay gap	Minority sexual orientation median pay	Hetero-sexual median pay	Median sexual orientation pay gap
Salary	£47,961	£47,270	-1.46%	£43,785	£43,785	0.00%
Hourly pay	£24.93	£24.57		£22.76	£22.76	

We are publishing our sexual orientation pay gap for the first time this year. This shows that, in March 2024, staff reporting having a minority sexual orientation were paid 1.46% more than staff who reported being heterosexual.

## 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 2024):

- **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 2023-24.

# Annex 1

## Welsh Government Pay Bands (Delegated Staff and Senior Civil Service) – 1 April 2023 – 31 March 2024

Pay Bands – Senior Civil Service <sup>1</sup>	Pay Point	Salary 2023-24
Permanent Secretary (Tier 1, 2 and 3)	Maximum	£200,000 <sup>1</sup>
	Minimum	£150,000
Director Generals (SCS Pay Band 3)	Maximum	£208,100
	Minimum	£125,000
Director (SCS Pay Band 2)	Maximum	£162,500
	Minimum	£95,000
Deputy Director (SCS Pay Band 1)	Maximum	£117,800
	Minimum	£73,000

Pay Bands – Delegated Staff	Pay Point	Salary
Grade 6	4	£80,840
	3	£75,390
	2	£73,059
	1	£70,455
Grade 7	4	£67,095
	3	£62,454
	2	£59,273
	1	£56,112
Senior Executive Officer	4	£51,839
	3	£48,269
	2	£45,843
	1	£43,785
Higher Executive Officer	4	£41,675
	3	£38,420
	2	£36,246
	1	£34,083
Executive Officer	3	£32,141
	2	£29,285
	1	£28,245
Team Support	3	£26,901
	2	£25,074
	1	£23,258

1 Senior Civil Service pay bands are set by the UK Government Cabinet Office.

## Annex 2

### Staffing grade breakdown – as at 31 March 2024

Pay Bands	FTE
SCS Permanent Secretary	1.00
SCS 3	5.00
SCS 2	39.94
SCS 1	147.38
Grade 6	221.9
Grade 7	948.0
Senior Executive Officer	1320.8
Higher Executive Officer	1340.4
Executive Officer	967.6
Team Support	771.7
Other	17.9

## Annex 3

### Pay Relativities within the Welsh Government – as at 31 March 2024

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. 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 (£230,000-£235,000) paid employee	1 to 10.00
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 £135,000 - £140,000) (Lowest paid £125,000 – £130,000)	Highest – 1 to 5.92 Lowest – 1 to 5.48
Ratio Median to High	The multiple between the median salary (£41,675) of the Welsh Government and the highest paid employee (£230,000 - £235,000)	1 to 5.58
Ratio Median to Director General	The multiple between the median salary (£41,675) of the Welsh Government and the Director Generals (Highest paid £135,000 - £140,000) (Lowest paid £125,000 – £130,000)	Highest – 1 to 3.30 Lowest – 1 to 3.06

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

Year		25th Percentile	Median	75th Percentile
2023-24	Pay Ratio (:1)	7.2	5.6	4.5
	Quartile remuneration (£)	32,141	41,675	51,839
2022-23	Pay Ratio (:1)	7.1	5.5	4.4
	Quartile remuneration (£)	30,610	36,690	49,370

In 2022-23 and 2023-24 no employees received remuneration in excess of the highest paid director.

Reporting bodies are 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.

	<b>Remuneration percentage change – highest paid director</b>	<b>Remuneration average percentage change – employees as a whole</b>
2022-23	6.90%	3.76%
2021-22	0.0%	5.43%

The required calculation for the highest paid director percentage compares the mid-point of the remuneration banding 2023-24 £230,000-£235,000 (2022-23: £215,000-£220,000), 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. The remuneration average percentage change for employees as a whole is lower than the 5% pay award for 2023-24 as the calculation includes seconded and temporary staff, the mix of which year to year can vary as well as the pay awards applicable to such individuals. The average percentage change for employees on Welsh Government payroll for 2023-24 is 5.88%.

## Annex 4

**Welsh Government Senior Staff Salaries as at 31 March 2024** - Welsh Government earning £100,000 or over in bands of £5,000. Both lists includes both on payroll and off payroll/seconded staff. Where staff have a salary over £100k but have been paid less than £100k in year is due to either being part time (part time actual salary range shown) or mid-year joiners.

Employee	Salary Range £000	Description
Arthur, H	105-110	Workforce & Corporate Business Dev.
Badyal, JS	115-120	Science Policy
Baranski, GE	135-140	Care Inspectorate Wales (CIW)
Bennett, CJ	105-110	European Programmes Group
Bisson, PJ	105-110	European Transition
Brindle, SJ	105-110	Recovery and Restart Director
Brown, N	115-120	Business Development Department
Burke, TM	135-140	CCRA Director General
Clifford, DP	105-110	Office of the First Minister
Coyne, JF	115-120	Commercial Procurement
Currado, GM	105-110	European Programmes Group
Daniels, J	105-110	Tertiary Education
Davies, HG	105-110	Office Of The Legislative Counsel
Davies, MW	105-110	Office Of The Legislative Counsel
Dickenson, AJ	115-120	Primary Care
Emery, ME	125-130	NHS Directorate Group
Evans, DG	105-110	Finance & Commercial
Evans, IG	105-110	NHS Directorate Group
Evans, S	125-130	Director General PSWL
Francis, AK	100-105	Governance and Performance

Employee	Salary Range £000	Description
Gwatkin, AP	105-110	International Engagement
Heaney, AL	140-145	Social Services and Intergration
Hughes, DM	115-120	Office Of The Legislative Counsel
Irvine, RM	100-105	Office of the Chief Veterinary Officer
Jeffreys, A	115-120	Treasury
Jones, AD	100-105	Health Care Inspectorate Wales
Jones, GD	105-110	Office Of Chief Digital Officer
Jones, HD	160-165	HSS Finance
Jones, PL	105-110	Public Health
Lloyd, OR	105-110	Education Directorate
Macnamara, CA	105-110	Office Of The Legislative Counsel
Martin, N	105-110	Office Of The Legislative Counsel
McDonald, PW	100-105	Transport Finance
Medcraft, DJ	105-110	CCRA Finance
Mitchell-Kilpatrick, RT	105-110	Local Government
Morris, HJ	130-135	Tertiary Education
Moss, TJ	130-135	Chief Operating Officer
Ryland, PW	105-110	Welsh European Funding Office
Salway, JE	105-110	Social Partnership, Employment & Fair Work
Slade, A	135-140	EET Director General
Slade, AJ	105-110	Primary Care and Health Science
Thomas, JD	105-110	Culture, Sport and Tourism
Williams, LE	105-110	Culture Department



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

Employee	Salary Range £000	Description	Actual Salary range if part time £000
Atherton, F	160-165	Chief Medical Officer	95-100
Jones, CJ	115-120	Healthcare Quality	75-80
Kirby, C	155-160	Tribunals Unit	125-130
Stephens, DJ	115-120	Fire Services Branch	90-95
Williams, IM	100-105	CyMAL	80-85
Breheny, T	100-105	NHS Directorate Group	85-90
Richards, DT	115-120	Governance and Performance	55-60
Loveland, RJ	100-105	Energy Water and Flood	45-60
Paget, J	205-210	NHS Directorate Group	70-75
Houlihan, D	105-110	HR Director	Full time, joined part way through the year
Wood, NA	105-110	Delivery And Performance	

## Annex 5

### For all off-payroll engagements as of 31 March 2024 and for more than £245 per day

	Total	COOG	CCRA	Economy	HSS	PSWL
No. of existing engagements as of 31 March 2024.	69	23	31	2	6	7
<b>Of which...</b>						
No. that have existed for less than one year at time of reporting.	20	7	5	0	4	4
No. that have existed for between one and two years at time of reporting.	23	7	14	0	1	1
No. that have existed for between two and three years at time of reporting.	13	4	5	2	1	1
No. that have existed for between three and four years at time of reporting.	5	2	2	0	0	1
No. that have existed for four or more years at time of reporting.	8	3	5	0	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 2023 and 31 March 2024

	Total	COOG	CCRA	Economy	HSS	PSWL
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0	0	0	0	0	0

## Annex 7

### People and Remuneration Committee: Annual Report 2023-2024

#### 1. Background

1.1 This report covers the period 1 April 2023 to 31 March 2024. The committee, in both formats, met eight times during the reporting period on the following dates:

##### Senior Civil Service (SCS) Remuneration Committee

- 28th April 2023
- 9th June 2023
- 25th July 2023
- 29th August 2023
- 3rd October 2023

##### People and Remuneration Committee

- 14th November 2023 (there are no details of attendees for this meeting)
- 9th January 2024
- 27th February 2024

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

Name	Number of meetings attended
Carys Williams, Non-Executive Director (Chair from 3rd October 2023)	7
Andrew Goodall, Permanent Secretary	7
Judith Paget, DG Health/NHS Chief Executive	7
Tracey Burke, DG Climate Change and Rural Affairs	5
Andrew Slade, DG Economy, Treasury and Constitution	6
Jo-Anne Daniels, Interim DG Education and Social Justice	6
Reg Kilpatrick, DG Covid Recovery and Local Government	6
Sioned Evans, Public Services and Welsh Language	2

Name	Number of meetings attended
Tim Moss, DG Chief Operating Officer	8
Peter Kennedy HR Director	5
Dom Houlihan, Director of People and Places	2
Mike Usher, Non-Executive Director	
Meena Upadhyaya Non-Executive Director	8
Gareth Lynn, Non-Executive Director (Chair until 29th August meeting)	7
Aled Edwards, Non-Executive Director	7
Sally-Ann Efstathiou, Deputy Director HR Planning and Delivery	5
Liz Richards, Head of Pay and Reward	2 (as permanent committee member)

To note: Dr Andrew Goodall, Permanent Secretary was unable to attend the meeting of 27th February 2024 due to the Covid Inquiry

### 1.3 Board Sub Committee: People and Remuneration Committee

The Board's second sub-committee is the People and Remuneration Committee. For part of the year this operated as the SCS Remuneration Committee which was responsible for Senior Civil Service (SCS) pay and conditions, senior succession planning, recruitment and all SCS personnel cases. In November 2023 the Remuneration Committee was repurposed as a strategic advisory body and renamed People and Remuneration Committee. Its newly defined purpose is to provide challenge, direction and assurance on people related strategies and initiatives, key risks and opportunities.

To reframe the Remuneration Committee to focus on strategic people matters and better align to role accountability to role description, the Workforce Delegation and Accountability framework was amended to extend delegated recruitment and resourcing decisions and accountability to Directors General. The new People and Remuneration Committee will retain Statutory responsibilities for, and oversight of the application of SCS terms and conditions including the performance management framework, pay strategy and pay awards and will be updated on regular analysis of workforce trends.

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

#### 1.4 The committee considered the following issues during the year:

- SCS Temporary Promotion arrangements
- SCS Pay updates – annualised hours, capability-based pay and progression, equal pay, job evaluation for senior posts (JESP).
- SCS Recruitment and Resourcing
- SCS Performance, Talent and succession planning
- Strategic Direction for the future size and shape of the Organisation, reflecting the outcome of the budget.
- WG Pay and Reward Strategy including implementation of DDaT pay framework and options for withdrawal of IT allowances.

## 2. Chair's summary

2.1 As part of the transition to a new Chair, we took the opportunity to reflect on the key strategic priorities and risks of Llywodraeth Cymru. The Committee and associated governance was reviewed and refreshed to improve the timeliness of strategic considerations and decisions, and ensure delegated authorities reflected the remit of the most senior leaders in the organisation. Informal feedback from committee attendees and those impacted by the changes has been positive, and we will undertake a formal review at the one year anniversary of the establishment of the People and Remuneration Committee to identify further improvements and enhancements.

2.2 Our aims for the year ahead include supporting, seeking assurance over and identifying strategic risks in relation to:

- the development of Llywodraeth Cymru's People Strategy
- the organisation's approach to identify, address and mitigate people risks
- the alignment of people and capabilities to the organisation's strategies and plans, including talent management, succession planning and learning and development opportunities and uptake across the organisation
- our commitment to the Anti-racist Wales Action plan, the organisational use of social model of disability and delivery of the Equality Diversity and Inclusion Strategy 2021-2026.
- the organisation's people culture and commitment to its values, including staff wellbeing, performance management, engagement and whistleblowing approaches
- role and potential implementation of capability-based pay for SCS.

2.3 I am grateful to the members of the Committee for their valued contributions throughout the year. Their careful consideration and the transparent and balanced views they bring help us to ensure that we consider the matters before us sensitively, fairly, consistently and at pace to meet the needs of the organisation. I am also grateful to Dom Houlihan, Sally-Ann Efstathiou, and the wider HR 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.

# Annex A

## Welsh Government People and Remuneration Committee Terms of Reference (November 2023)

### Purpose

The People and Remuneration Committee (PRemCom) is a strategic advisory body and is a sub-committee of the Board. It provides challenge, direction and assurance on people related strategies, key risks and opportunities and the pay strategy and policy for the Senior Civil Service.

### Responsibilities

#### 1. Workforce strategy, initiatives and plans

The Committee provides advice and assurance in relation to the development and delivery of the Welsh Government Workforce Strategy that will enable us to develop the culture, people and skills we need to deliver for Wales over the next three years and beyond, within an increasingly challenging economic, social and environmental context:

##### Culture and values

- Overseeing the values and behaviours framework ensuring the values of creativity, fairness, partnership and professionalism are applied in ways of working and that behaviours across the organisation align with strategic objectives, particularly commitments to equality, diversity and inclusion.
- Maintaining a future thinking approach to the culture, action and business and behaviour change needed for the long term.
- Monitoring arrangements to address behaviour and culture that does not meet organisational values (including whistleblowing and concerns raised by staff).

##### Workforce and organisation design

- Overseeing the workforce strategy including development and implementation, workforce planning effectiveness and ensuring we have the right skills and capability for now and the future.
- Ensuring the overarching organisational design supports the delivery of Welsh Government's strategic priorities and that the organisation is set up to be effective and efficient; considering strategy, target operating model, group structures, processes, policy and systems

## 2. People related Issues and risk.

To assess the people risks to which the organisation is exposed to and contribute perspective to help address issues arising, including:

- Employee attraction, recruitment and retention.
- Employee engagement and performance.
- Succession planning and talent management.
- Any other risk related to the workforce or the human resources team that may arise from time to time.

To consider other topics and oversee other activities, as directed by the Board or ExCo.

## 3. SCS T&C and remuneration

The Terms and Conditions for the SCS are set by Cabinet Office, and the Committee oversees the application of the performance management framework, pay strategy and pay awards by:

- Monitoring the application of SCS pay strategy, setting the over-arching principles and parameters of SCS remuneration policy and informing SCS pay awards.
- Reviewing the impact of pay and remuneration strategy, policy and decisions, monitoring fair and equitable application, considering specific pay cases and overseeing the equal pay position.
- Considering any significant structural changes that have a leadership impact, including the creation of new SCS roles as part of divisional / directorate organisational development and design and changes to existing SCS roles that are likely to have a broader organisational impact.
- Overseeing the appointment, terms and conditions and employment status of the SCS, and specifically appointments made at Permanent Secretary and Director General level.
- The implementation of the Permanent Secretary T&C framework (reviewing the application of pay awards and receiving an annual report on performance management and employment arrangements for the Permanent Secretary).
- Overseeing the application of the SCS performance management framework, ensuring robust arrangements are in place, reviewing the outcomes of the moderation process and contributing to discussions on succession planning and capability building of the SCS.

### Format and frequency of meetings.

- As a minimum, each meeting will have a standard item on SCS T&Cs and remuneration to ensure the application of Welsh Government responsibilities to Cabinet Office in this area are fully discharged.
- A forward look will be in place aligned to the ExCo decision making cycle to ensure the Committee provides challenge, direction and assurance on specific workforce matters and people risks and issues at the right point, with focused discussion at each meeting.



- A reporting framework will be in place in relation to the provision of data, MI and KPIs, ensuring the Committee can make an evidence-based contribution and allowing the identification of trends, impact and outcome.
- The Committee will usually meet every 6 weeks.

### **Links to other bodies**

- PRemCom is a strategic sub-committee of the Board which from time to time may specifically commission PRemCom to undertake focused consideration of a particular area of workforce matters. The Board will receive an annual report from the Committee.
- ExCo remains the formal decision-making body for the Welsh Government. Discussions at PRemCom will inform decisions taken by ExCo. PRemCom will escalate risks and issues to ExCo if it believes further consideration is needed or concerns need to be highlighted.
- Priority Resourcing Panel oversees the application of the workforce delegation and accountability framework. Relevant data and management information discussed by the Panel will be shared with the Committee.
- Finance and Corporate Services Committee oversees the operation of people related policies and decisions.
- WG2025 Implementation Group will seek assurance from PRemCom on the application of the Workforce Strategy and will be responsible for addressing any areas of concern PRemCom raises or addressing any recommendations made.

### **Authority**

- The Permanent Secretary leads the Welsh Government and is Principal Accounting Officer (PAO) for the Welsh Ministers. The PAO memorandum from HM Treasury sets out the delegated authority of the Permanent Secretary, including managing the organisation efficiently and effectively with personal responsibility for the stewardship of resources.
- The Permanent Secretary specifically exercises the governance of this responsibility for SCS staffing matters via the People and Remuneration Committee, seeking advice and direction. When a course of action is agreed by the Committee it is for the Permanent Secretary, supported by the People and Places Director, to take any subsequent operational decisions needed to ensure appropriate and compliant delivery of the action.
- The Committee provides consideration and assurance on strategic workforce matters, people related issues and risks. It is authorised to undertake and investigate any activity within its Terms of Reference, including requesting the attendance of any Welsh Government colleague at a meeting of the Committee and/or seeking any information or guidance required to perform its duties.

**Membership**

The Permanent Secretary – responsible for taking final decisions relating to staffing matters that fall within the remit of the Permanent Secretary’s role.

**Non-Executive Directors (including Chair)** – provide an objective, independent and constructive view on strategy and plans relating to workforce matters and remuneration, providing scrutiny and challenge and giving assurance to ExCo and Board (including assurance that the Committee retains an independence from the SCS members affected by its decisions).

**DG’s** – provide strategic advice, challenge and assurance.

**HR Director** – provide professional HR Advisory role, ensuring agreed action complies with employment law, Civil Service Commission principles and Welsh Government policies and delegations and that actions are subsequently implemented.

**Secretariat** – arrange and distribute meeting papers, provide final note of meetings held and records all action points (reporting on progress of actions).