

Arts Council of Wales

Pay Policy Statement

May 2017



Cyngor Celfyddydau Cymru
Arts Council of Wales



Noddir gan
Lywodraeth Cymru
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Welsh Government



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Arts Council of Wales operates an [equal opportunities policy](#).

Arts Council of Wales

Pay Policy Statement

This is the Arts Council of Wales' annual Pay Policy Statement for the period 1st April 2016 to 31st March 2017. It was approved by Council on 17th March 2017 with approval recorded in the minutes of that meeting.

The purpose of this Pay Policy Statement is to articulate our policy on the range of issues relating to the pay and remuneration of our staff team, in particular the pay and remuneration of the senior posts and the lowest paid employees. It also explains the relationship between the remuneration of its highest and lowest paid employees.

This Statement applies to all employees of the Arts Council.

It complements other information published on our website www.arts.wales

If you cannot find the information you are looking for, please contact us at information@arts.wales

Introduction from our Chair

The Arts Council of Wales is the official public body funding and promoting the arts across Wales. We work to place the arts at the centre of national life and well-being, encouraging as many people as possible to enjoy and take part in the arts.

As a public body we have a responsibility to create a strong, confident organisation providing services that are relevant and useful. We provide professional services across a range of disciplines. We do so in ways which reduce cost and recognise our responsibility to become a more environmentally sustainable organisation.

The public rightly demands that the institutions they finance should be efficient and cost effective. Each year, our annual accounts provide comprehensive information on our organisational objectives, our performance and our remuneration of senior staff.

We make every effort to promote transparency and openness in all that we do. This Pay Policy Statement is one example of that commitment in action.

A handwritten signature in black ink that reads "Phil George". The signature is written in a cursive, flowing style.

Phil George
Chair

March 2017

The legislative framework

The overall context

The Arts Council of Wales is accountable to the Welsh Government. We work within a framework that sets out the basis under which Welsh Ministers provide our grant-in-aid funding, and how we are able to use this funding. We are expected to manage our funds with probity and in the public interest, adhering to the principles contained in *Managing Welsh Public Money*.

As a distributor of Lottery funds under the National Lottery etc. Act 1993, we are accountable to the UK's Secretary of State for Culture, Media and Sport. Our financial directions are issued by the Secretary of State, and our Policy Directions by Welsh Ministers. These set out how we must operate in respect of Lottery distribution activities.

As a charity we must comply with the Charities Acts 1960, 2006 and 2011.

Employment legislation

We comply with all relevant employment legislation when determining the pay and remuneration of all of its employees. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

In line with the equal pay requirements contained within the Equality Act, the Arts Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of the Arts Council's Job Evaluation system.

Decision making

Decision-making on pay-related matters

Council's HR & Remuneration Committee supports Council in discharging its responsibilities for pay and conditions of service, and policies for the recruitment, retention and management of staff.

The Committee is also responsible for setting and monitoring the Chief Executive's annual performance targets, and for recommending to Council, the annual remuneration of the Chief Executive and Chair, subject to limits set by and the agreement of the Welsh Government.

There are Terms of Reference for the HR & Remuneration Committee which it works to.

Job Evaluation

All staff positions, including senior positions, are evaluated. Evaluation may take place prior to a position being advertised or during employment should an employee's role materially alter.

The Council operates a points and factor-based pay scheme. The system, which was developed with the assistance of ACAS, objectively assesses the requirements' responsibilities and competencies required to perform each role in the organisation.

Roles are broken down into seven component parts under factor headings and then given a point score, by a panel of trained evaluators.

The factor headings are:

- Decision Making/Impact;
- Creativity/Business Development;
- Knowledge/Skills/Expertise;
- Communication/Relationships;
- Working Environment;
- Management of Staff; and
- Resource Management (excluding staff)

Once a role has been evaluated the resultant score will determine which grade the role is attributed to. Each grade has a pay band allocated to it. **Appendix A** contains details of the grades and pay bands.

Overall pay arrangements

Pay and Conditions

All members of staff are subject to the same conditions of employment. This also applies to the Chief Executive although the post holder is entitled to an annual performance related payment in line with guidance issued by Welsh Government. Further details are shown below.

Pay and Terms and conditions of service for staff at the Arts Council are determined on a local basis, subject to the constraints of the Framework Agreement agreed with the Welsh Government.

Annual pay awards are negotiated locally with our recognised Trade Union, UNITE.

When devising our pay remit, account is taken of the pay guidance issued by the Welsh Government. We also consider the need to recruit, retain and motivate employees to enable us to meet the requirements of the Council and its desire to provide high quality services to our various stakeholders, not least the art sector and the ultimately the public of Wales.

In arriving at our pay remit we also have to take account of affordability and sustainability. Our funding comes from two primary sources - Grant-in-Aid from Welsh Government, and from the National Lottery Distribution Fund. The former is usually fixed in advance for a year whilst the latter is more volatile, reflecting the weekly level and sales mix of the various National Lottery products.

In November 2015 we reached a two-year pay deal covering all staff. This agreement enabled us to implement a pay award covering the two year period 1st April 2015 to 31st March 2017. All salary points were increased by 2%.

Pay progression

New appointments will normally be made on the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate who has the required skills and competencies to fulfil the post. In the case of internal promotions, the starting salary will normally be at the relevant point on new scale that provides an increase.

Increments within the pay band are paid, subject satisfactory performance, on 1st August annually until the maximum of the band is reached. Members of staff who have not completed their probation period – normally 6 months, unless extended - on 1st August will not receive an increment until the following year.

The Chairman and members of Council

The Chairman is appointed by the Minister for Economy and Infrastructure following an open public appointment process. The current Chairman took up his role on 1st April 2016.

With the approval of the Charity Commission, the Chairman is remunerated at a rate determined by the Welsh Government which reflects a minimum time commitment to Council business. Annual increases of the Chairman's salary are also advised by the Welsh Government but he receives no bonus payments and is not a member of the pension scheme.

Other Council and Committee Members receive no payment for their services, but reimbursed for expenses incurred in connection with their duties. Details are published in our Reports and Financial Statements.

Pension arrangements

The Arts Council currently offers two pension schemes.

The Council is an admitted employer of the Arts Council Retirement Plan 1994 (ACRP). The pension scheme provides defined benefits to Arts Council employees. The fund is a defined benefit, multi-employer scheme so the Council is unable to identify its share of the underlying assets and liabilities. The costs of the Council's contributions are charged to our accounts so as to spread the cost of pensions over employees' working lives.

The Council has also introduced a defined contribution scheme, The People's Pension, effective 1st May 2014, as an alternative option to meet the needs of Auto Enrolment legislation.

All newly appointed staff are entitled to join one of our pension schemes. As at 1st April 2016 92.6% of Arts Council staff were members of the ACRP. The remainder were members of the People's Pension scheme.

Payments on Termination

Any payment made in relation to the ending of employment by reason of resignation, redundancy or retirement is made in line with the Arts Council's relevant policy. No end of contract bonus is paid.

Where an employee of any pay grade resigns, they are normally expected to work a notice period in line with their written statement of terms and conditions. The notice period for the staff in grades A and B is 8 weeks, for all other grades 13 weeks, unless still in probationary period in which case it is 4 weeks.

In cases where an employee has been given a commencement date for new employment that is outside of the above timescales, discretion exists to allow earlier release. An exit interview is carried out prior to the date of departure.

Any outstanding cash floats or advances of salary for season ticket purchase or other purposes must be repaid before departure, and any items of equipment returned.

Should situations arise in which staff redundancy is possible, the Redundancy Policy will be adhered to.

Lowest Paid Employees

The lowest paid members of full-time staff in the Arts Council are those employed on Grade B. We define full-time as 37 hours a week. All staff currently employed by the Arts Council are paid at rates above £10.43 per hour, the rate set by the Living Wage Foundation. It is the Arts Council's intention to continue with this approach.

Pay relativity

The relationship between the rate of pay for the lowest paid and senior posts is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

As at 1st April 2016 the highest paid member of staff earned £95,250 and the lowest, £19,752. This is a ratio of 1:4.8

We publish details of the median pay and the ratio between it and that of the highest paid employee in our annual accounts, in line with our financial reporting requirements. The ratio was 1:3

Off payroll arrangements

If we are unable to recruit to key post, we will, when required, appoint interim support to provide the necessary cover for the vacant position. Each case is considered on its merits. Appointments may be made on a fixed term basis or, where appropriate/ necessary, under a 'contract for service'.

Where these contracts meet the criteria of HM Treasury's disclosure requirements of the tax arrangements of public sector appointees, relevant details are included in our Annual Reports and Financial Statements. All instances of off payroll arrangements are detailed in our published *Reports and Financial Statements* (p66).

Senior pay remuneration

For the purposes of this statement, senior posts refer to members of the Arts Council's Senior Management Team.

The role of the Chief Executive

The role of the Chief Executive is a full time, permanent appointment and is appointed by Welsh Government. Post holders are selected on merit, against objective criteria, following public advertisement.

The Chief Executive is also designated by the Welsh Government as the Arts Council's Accounting Officer. This is a personal responsibility and covers:

- the propriety and regularity of the public finances for which he/she is answerable;
- the keeping of proper accounts

- prudent and economical administration;
- the avoidance of waste and extravagance;
- the efficient and effective use of all the resources in their charge.

Our Chief Executive, Nick Capaldi, was appointed to post on 15th September 2008. A brief biography is published on our website <http://www.celf.cymru/about-us/staff/senior-management-team/nick-capaldi>

Chief Executive's Pay

The terms of appointment of the Chief Executive are agreed with the Welsh Government. The role of is a full time, permanent appointment. Remuneration consists of a basic salary plus eligibility for an annual bonus of up to 10% of basic salary. It is not incremental.

The current salary for the role is £95,250 per annum, excluding any bonus.

Non-consolidated annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives.

The Committee's recommendation that the Chief Executive be offered a full bonus was endorsed by Council. However, the Chief Executive waived his entitlement to a non-consolidated bonus for 2015/16 and accepted the same level of consolidated increase as other eligible members of staff.

Further details of the Chief Executive's pay, including any additional payments, are published in the *Remuneration and Staff Report* (p58) within our published Financial Statements. http://www.arts.wales/c_annual-reports/report-and-financial-statements-2015-16

Expenses such as those for train, car mileage, overnight accommodation etc. are claimed back in accordance with Council's Travel and Subsistence Policy. Where benefits-in-kind or other expenses are taken up, these are disclosed within the remuneration report.

The Chief Executive is a member of the organisation's pension scheme – *The Arts Council Retirement Plan 1994* – and details are disclosed within the remuneration report. There have been no increases or enhancements to the pension scheme, or to the Chief Executive's pension entitlements, outside of standard arrangements.

The notice period for the role is 6 months.

Directors

The Directors are all employed on permanent contracts on the Council's standard terms and conditions. They are entitled to thirteen weeks' notice of termination of employment. Remuneration and pension benefits for the Senior Management Team are detailed in our published Reports and Financial Statements (p59 onwards)

http://www.arts.wales/c_annual-reports/report-and-financial-statements-2015-16

The Arts Council had five Directors during 2016/17:

Director Arts

Director Engagement and Participation

Director Enterprise and Regeneration

Director Finance and Resources

Director Investment and Funding Services

All Directors have reached the maximum of pay band F - £70,600. All members of the Senior Management team are contributing active members of the Arts Council Retirement Plan.

The emoluments and pension benefits for the Senior Management Team, and of the Chairman, are detailed in our published Reports and Financial Statements (p59 onwards)

http://www.arts.wales/c_annual-reports/report-and-financial-statements-2015-16

In future the senior team will be known as the Senior Leadership Team. Following an organisational restructuring, the structure of the team will change in 2017/2018.

We publish all pay bands and a breakdown of staff numbers by pay band in our [Annual Equalities Report](#)

The Arts Council of Wales recognises the importance of helping its employees balance their work and home life through a range of policies that offer flexible working arrangements. These enable staff to balance their working life with other priorities, including parental and other caring responsibilities, life-long learning, charity work, leisure activities and other interests.

In turn it also recognises that the organisation must ensure that staffing levels must, at all times, remain in line with the demands of the business. These policies reflect the legislative changes on flexible working introduced in April 2014. All requests made by staff under these policies require approval of the Senior Management Team.

Succession planning

The Arts Council operates a Learning and Development policy, developed in line with the organisation's overall vision and strategy and reflects a belief in the need to develop all

permanent and temporary employees, holding posts at all levels, whether employed on a full-time or part-time basis.

Performance management

We do not operate a performance related pay scheme for our staff. However as indicated above, pay progression is subject to satisfactory performance.

The one exception is the Chief Executive whose remuneration consists of a basic salary plus eligibility for an annual bonus. Annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives.

For the remainder of staff the organisation has its own pay scale for Grade A to F, see Appendix A. (Grade A is used as an Internship grade where applicable).

With the exception of the Chief Executive all employees are on this pay structure. Details of grade and salary scale are issued with a written statement of main terms and conditions and within contracts of employment. Details of the highest and lowest pay point are included in our published *Reports and Financial Statements* (p63)

Each year, each member of staff will meet with their line manager to discuss and agree an individual work-plan for the forthcoming year.

Each member of staff is also required to take part in an annual review meeting with their line manager to discuss aspects of his/her work performance. The objective of the meeting will be to review the previous year's achievements and to discuss any future learning and development and career planning relevant to the individual and to the organisation.

Performance is managed throughout the year and constructive steps will be put in place help and assist an employee to improve their performance.

Appendix A:

Grades and salary scales – April 2015 to March 2017

Grade	Salary points
A <i>(not currently in use. Used for Internships where appropriate)</i>	16,444
	18,154
	20,286
	21,050
B	20,147
	21,703
	23,599
	24,500
C	23,649
	25,812
	27,976
	30,548
	31,700
D	30,344
	32,903
	35,463
	38,434
	39,900
E	38,197
	40,270
	42,344
	45,436
	47,707
	49,500
F	52,459
	56,361
	60,267
	64,813
	68,054
	70,600