



Cyngor Celfyddydau Cymru
Arts Council of Wales

Pay Policy Statement

2018/19

December 2019



Noddir gan
Lywodraeth Cymru
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Welsh Government



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Arts Council of Wales operates an equal opportunities policy.

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Arts Council of Wales Pay Policy Statement – 2018/19

This is the Arts Council of Wales' annual Pay Policy Statement for the period 1st April 2018 to 31st March 2019.

The purpose of this document is to set out our policy on the range of issues relating to the pay and remuneration of our staff team. This includes the remuneration of senior posts and of the lowest paid employees at the Arts Council. It also specifies the relationship between the remuneration of our highest and lowest paid employees.

This Statement applies to all employees of the Arts Council.

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

If you cannot find the information you're looking for, please contact us at Governance@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 to the public and that provide good value for money. 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

May 2019

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're 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 National Lottery funds under the National Lottery etc. Act 1993, we're accountable to the UK's Secretary of State for Digital, 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 National Lottery distribution activities.

As a charity we must comply with the Charities Acts 1960, 2006, 2011 and 2016.

Employment legislation

We comply with all relevant employment legislation when determining the pay and remuneration of all our 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 our Job Evaluation system.

Decision-making

Decision-making on pay-related matters

Council's HR & Remuneration Committee supports Council in discharging its overall 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. These are subject to limits set by, and with the agreement, of the Welsh Government.

Job Evaluation

The job requirements for all staff positions are set out in a job description that describes the principal responsibilities of each post. Posts 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-rated factor analysis 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.

During the year the Arts Council engaged ACAS to carry out a review of its pay and grading structure. Working with the Council's recognised union, UNITE, it was agreed that a comprehensive review would be undertaken. This is being managed through a four-step process:

1. A review of all job descriptions within the organisation
2. A full job evaluation exercise to assess and evaluate all posts in the organisation (using up to date job descriptions from 1)
3. Establish a fit for purpose pay structure (based on the outcome of 2)

4. Implement the new structure across the organisation.

We've recently completed step 1, the results of which were quality assured by a Moderation Panel made up of the Council's Senior Leadership Team, HR and Union Executive.

During April 2019 existing staff job evaluators, and a number of new volunteer, job evaluators (including most Union Executive members) received training given by ACAS on the Arts Council's Job Evaluation scheme to ensure a consistent approach to job evaluation.

The exercise of undertaking job evaluation on all job descriptions will begin after completion of the training exercise.

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 additional annual performance related payment in line with guidance issued by Welsh Government. Further details are [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 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 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.

We recently completed the negotiation with our recognised union of a pay deal for the period 2018/19. The proposal, approved by the Welsh Government, is a consolidated award of 0.25% for the year and a one-off unconsolidated award of 2%.

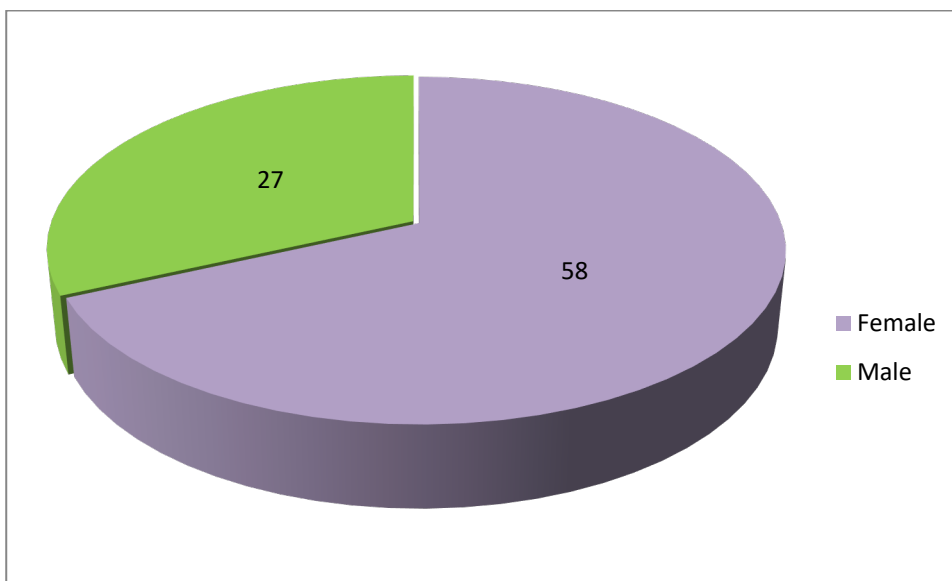
Pay Equality

All post holders are paid according to salary band designated for their post. Salary grades do not differentiate between male and female members of staff. Pay scales are the same for all members of staff.

The ratio of male to female staff is unbalanced, with males representing just under a third of the workforce (31.7%).

Gender Split

Figure 1 Breakdown of employees by gender



As the Arts Council employs fewer than 250 staff, we're not required to report on gender pay gap. However, as we operate a transparent pay and grading system which applies to all staff (with the exception of the Chief Executive), there is no disparity between the pay of males and females to grades up to and including grade E (Heads of Department/Portfolio Managers). Following the departure of the Arts Director and the Finance Director, the Senior Leadership Team currently consists of three females at grade F (Director) and no males.

The table below shows the number of FTEs at each Grade within the Arts Council as at 31st March 2019:

Figure 2 Breakdown of number of employees by grade as at 31 March 2019

	B	C	D	E	F	CEO	Total	Female	Male	F%	M%
Arts (incl. Wales Arts International)	2.04	3.4	1	2	0	0	8.44	7.44	1	88.15%	11.85%
Chief Executive Governance	0	1	1	0	0	1	3	2	1	66.67%	33.33%
Engagement & Participation (incl. Creative Learning)	3.4	8.82	5	4.28	1	0	22.5	16.5	6	73.33%	26.67%
Enterprise & Regeneration (incl. Night Out and Communications)	3	9	0	5	1	0	18	12	6	66.67%	33.33%
Finance and Business Services	3.5	0	5	2	0	0	10.5	2.5	8	23.81%	76.19%
Investment & Funding	4.34	8.3	2	1	1	0	16.64	11.64	5	69.95%	30.05%
TOTAL	16.28	30.52	14	14.28	3	1	79.08	52.08	27	65.86%	34.14%

Pay progression

New appointments will normally be made on the minimum of the relevant grade, although this can be varied where necessary to secure a high quality 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 to 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 Chair and members of Council

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

With the approval of the Charity Commission, the Chair 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 but one employee has chosen to join one of the schemes. As at 1st April 2019, 88% of Arts Council staff were members of the ACRP.

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 on 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 both the National and Living Wage. 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 2019 the highest paid member of staff earned £97,155 and the lowest, £20,550. This is a ratio of 1:4.7.

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

All instances of off payroll arrangements are detailed in our published annual statutory *Reports and Financial Statements*.

Senior pay remuneration

For the purposes of this statement, senior posts refer to members of the Arts Council's Senior Leadership 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 <https://arts.wales/about-us/our-organisation/staff>

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 annual salary.). It is not incremental and is fixed at a specific amount. The current salary for the role is £97,155 per annum.

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 recommended that the Chief Executive should be offered a bonus for 2018/19. However, the Chief Executive continued his practice of waiving his entitlement to a non-consolidated bonus and accepted the same level of 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* in our published Financial Statements. <https://arts.wales/about-us/accountability/annual-reports>

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 Leadership Team are detailed in our published Reports and Financial Statements

<https://arts.wales/about-us/accountability/annual-reports>

The Arts Council had five Directors during 2018/19:

Director Arts (retired at the end January 2019)

Director Engagement and Participation

Director Enterprise and Regeneration

Director Investment and Funding Services

Director of Finance (left at the end of March 2019)

All Directors have reached the maximum of pay band F - £72,012. All members of the Senior Leadership team are contributing active members of the Arts Council Retirement Plan.

The emoluments and pension benefits for the Senior Leadership Team, and of the Chairman, are detailed in our published Reports and Financial Statements (p65 onwards)

<https://arts.wales/about-us/accountability/annual-reports>.

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, we also recognise that our 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 Leadership Team.

At present we're working on the introduction of agile working to the organisation, in conjunction with a routine upgrade to our IT equipment. This will allow staff to be more agile in how, when and where they work, with the understanding that office hours must be covered within their respective teams.

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.

The Chief Executive's 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, including those who occupy lower paid positions, the organisation has its own pay scale for [Grade A to F](#) (There is also 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* (p65)

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:

Grades and salary scales – April 2018 to March 2019

Figure 3 Grades and salary scales 2018-2019

Grade Title	
Intern 1	£13,281
Intern 2	£15,030
Intern 3	£17,205
Intern 4	£17,850
A1	£16,773
A2	£18,517
A3	£20,692
A4	£21,471
B1	£20,550
B2	£22,137
B3	£24,071
B4	£24,990
C1	£24,122
C2	£26,328

Grade Title	
C3	£28,536
C4	£31,159
C5	£32,334
D1	£30,951
D2	£33,561
D3	£36,172
D4	£39,203
D5	£40,698
E1	£38,961
E2	£41,075
E3	£43,191
E4	£46,345
E5	£48,661
E6	£50,490
F1	£53,508
F2	£57,488

Grade Title	
F3	£61,472
F4	£66,109
F5	£69,414
F6	£72,012
CEO	£97,155