

This is the Arts Council of Wales' annual Pay Policy Statement for the period 1st April 2024 to 31st March 2025.

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 wellbeing, 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. The Pay Policy Statement is one example of that commitment in action.

Maggie Russell
Chair

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 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, subject to limits set by and the agreement of the Welsh Government.

Job Evaluation

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. The **Appendix** 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 contained in the Senior Pay Remuneration section 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 between the Welsh Government and Arts Council of Wales.

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 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.

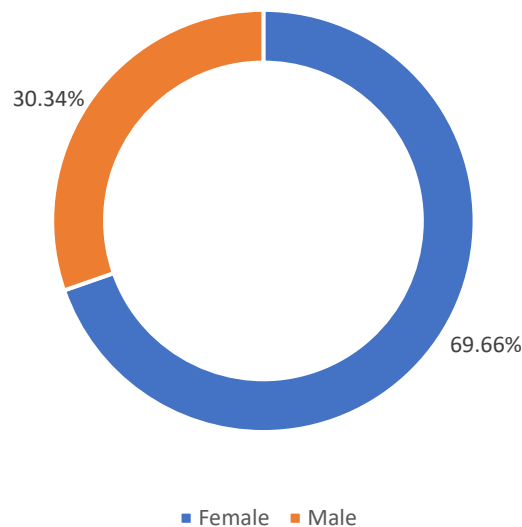
A consolidated pay award of 5% was implemented in 2024/25, this included the Chief Executive. This was consistent with other Welsh Government Sponsored Bodies in the Culture Division. The pay award was finalised within the **October 2024** payroll run.

Pay Equality

With the exception of one role which was part funded by an external organisation, all post holders are paid according to the salary band designated for their post. Salary grades do not differentiate between male and female members of staff.

The ratio of male to female staff as of 31 March 2025 is unbalanced, with males representing just under a third of the workforce (30.34%). There has been a very slight increase in female employees (1%) from the 2023/2024 % balance. The chart below shows the percentages based on a headcount of 89.

Chart of Gender Split % as of 31 March 2025



As the Arts Council employs fewer than 250 staff, we are 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 one role which was funded by an external organisation), there is no disparity between the pay grades of males and females to grades up to and including grade E (Heads of Department/Portfolio Managers).

As of 31st March 2025, the Executive Leadership Team consisted of two female employees at grade F (Director) and the Chief Executive (Grade J), There were also one female and male at grade F who were not members of the Executive Leadership Team.

The table below shows the number of full-time equivalents (FTEs) at each grade within the Arts Council as of 31st March 2025:

Grade	Female (FTE)	Male (FTE)	Total (FTE)	Female avg. salary (£)	Male avg. salary (£)	Difference (£)	% Difference
A	0	0	0	0	0	0	
B	14.40	3.6	18	30,471	30,584	-113	0.37%
C	9.55	3	12.55	38,821	39,032	-211	0.542%
D	19.7	12	36.6	49,853	50,068	215	0.43%
E	9.5	5	14.5	61,707	61,739	32	0.05%
F	3	1	4	86,800	82,556	4,244	5%
J (CEO)	0	1	1	0	112,268	0	0.0%

The above chart with the exception of Grade F shows the average female salary is slightly lower within every grade when comparing to male staff at the Arts Council.

There is an anomaly within our headcount with regards to one individual's salary (1 FTE) due to the external funding of the role. The salary for this role sits between a D and an E grade. This individual has not been included in the figures above as they sit outside of our salary scales.

The % difference can be attributed to members of staff as mentioned below, joining the Arts Council at the base of the Grade.

Pay progression

New appointments will normally be made on the minimum of the relevant grade. This can, however, 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 in remuneration.

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 Welsh Government following an open public appointment process. The current Chair, Maggie Russell, took up her role on 1 April 2023.

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 Chair's salary are also advised by the Welsh Government, but the Chair 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 are reimbursed for expenses incurred in connection with their duties. Details are published in our Reports and Financial Statements (accounts subject to audit).

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 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.

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 up to grade F it is 13 weeks, unless still in probationary period in which case it is 4 weeks. The Chief Executive is required to give 26 weeks' notice.

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

We do not have any members of staff on our Grade A. Therefore, 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 of 31 March 2025, the highest paid member of staff earned £112,268 and the lowest, at grade B, £27,591 (full-time equivalent). This is a ratio of 1:4.

In line with financial reporting requirements, we publish details in our annual accounts of:

- the percentage change in the remuneration of the highest paid employee and that of the staff as a whole. The changes were: Chief Executive 5%; staff 5%.
- the pay of employees at the 25th, median and 75th percentiles and the ratio between each of those and the pay of the highest paid employee. The ratios were: 25th percentile 1:3.2, median 1:2.2, 75th percentile. 1:2.2.

Off payroll arrangements

All instances of off payroll arrangements are detailed in our published Reports and Financial Statements (subject to audit).

Senior pay remuneration

The Senior Leadership team underwent a restructure in 2024, including a rename to 'The Executive Leadership Team', effective from April 2024. The Executive Leadership Team comprises of the following:

- Chief Executive
- Director of Arts
- Director of Finance and Business Services

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

The role of the Chief Executive

The role of the Chief Executive is a full time, permanent appointment and is approved 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 they are 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, Dafydd Rhys, joined the Arts Council of Wales in October 2022.

Chief Executive's Pay

The terms of appointment of the Chief Executive are agreed with the Welsh Government. The role is a full time, permanent appointment. Remuneration consists of a basic salary plus eligibility for an annual bonus. It is not incremental and is fixed at a specific amount. The current salary for the role is £112,268 per annum.

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

Since November 2024 the Chief Executive has received a net monthly payment of £820 as a travel allowance. Whilst his contractual base of work is the Carmarthen Office, under HMRC rules the Cardiff office is treated as a secondary permanent workplace due to the frequency of his travel to this location. Any reclaimed travel costs to attend the Cardiff office are therefore taxable. The Council does not operate a Benefit in Kind tax scheme and a monthly travel allowance ensures the appropriate amount of tax is paid for travel costs to Cardiff.

All expenses for travel to other destinations continues to be paid per the Council's Travel and Subsistence Policy.

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 (accounts are subject to audit).

The Chief Executive was 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 26 weeks.

Directors

The Directors are all employed on permanent contracts on the Council's standard terms and conditions. They are entitled to 13 weeks' notice of termination of employment.

Remuneration and pension benefits for the Executive Leadership Team are detailed in our published Reports and Financial Statements (subject to audit).

The Arts Council had three Directors during 2024/25:

- Director of Arts
- Director of Arts Engagement
- Director of Finance and Business Services

As of 31 March 2025, two of our three directors had reached the maximum of pay band F - £88,922.00. All members of the Executive Leadership Team were contributing active members of the Arts Council Retirement Plan.

The emoluments and pension benefits for the Executive Leadership Team, and of the Chair, are detailed in our published Reports and Financial Statements (subject to audit).

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 effective from 6 April 2024 (Flexible Working Act, 2023). All requests made by staff under these policies require approval of the Executive Leadership 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

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.

With the exception of one employee whose salary was funded by an external organisation, 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 (subject to audit).

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 their work performance, with regular one-to-one reviews held throughout the year. The objective of the annual review meeting is 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 during one-to-one meetings between staff and their line managers. During these meetings progress towards the workplan objectives are reviewed and constructive steps will be put in place help and assist an employee to improve their performance if required.

Appendix

Grades and salary scales – April 2024 to March 2025

Grade		01-Apr-24
A1	Apprentice	24,152
B1	PA/Team Co-ordinator	27,591
B2		29,225
B3		30,856
C1	Officer	34,561
C2		37,242
C3		39,927
D1	Manager/Senior Officer	44,718
D2		47,487
D3		50,254
E1	Head/Portfolio Manager	56,286
E2		59,316
E3		62,345
F1	Director	69,827
F2		76,190
F3		82,556
F4		88,922
J1	Chief Executive	112,268
K1	Chair	43,810