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Senior management pay across the Welsh public sector

Memorandum for the Public Accounts Committee

Senior management pay across the Welsh public sector

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Introduction

- 1** This memorandum has been prepared following the Public Accounts Committee request for the Wales Audit Office to undertake an analysis of senior management pay across the Welsh public sector.
- 2** In bringing together the analysis, we have, in the main, used information contained within the relevant audited financial statements or remuneration reports.
- 3** The intention of the work is to support a short focussed inquiry by the Public Accounts Committee, therefore, this memorandum does not set out conclusions and recommendations.
- 4** The memorandum is structured to show:
 - a** senior management remuneration disclosure requirements relevant to the sector as set out in the Government Financial Reporting Manual (FRoM) and the CIPFA Code of Practice;
 - b** comparative data in respect of the pay of chief executives across the Welsh public sector;
 - c** comparative data in respect of the pay of senior managers across the Welsh public sector;
 - d** how senior management pay is set across the Welsh public sector; and
 - e** current issues relating to public sector senior management pay.
- 5** Appendices have been prepared to show the detailed information.

Part 1 – Senior management remuneration disclosure requirements

1.1 All public bodies are required to report within their annual financial statements or remuneration report the pay of their senior staff. The exact nature of the information required to be reported varies between different sectors according to the relevant statutory requirements and the associated accounting guidance. This part seeks to set out what information is publically available and how this differs between sectors.

Financial Reporting Manual

1.2 The Government Financial Reporting Manual (FReM) is the technical accounting guide to the preparation of accounting statements for NHS bodies and for all bodies within the central government sector (for example, Welsh Government, Welsh Government Sponsored Bodies, and the Auditor General for Wales).

1.3 The FReM requires the production of a directors' remuneration report alongside the annual financial statements.

1.4 The FReM defines 'directors' for reporting entities as:

- a** 'The chairman and chief executive.
- b** The composition of the management board (including advisory and non-executive members) having authority or responsibility for directing or controlling the major activities of the entity during the year. This means those who influence the decisions of the entity as a whole rather than the decision of individual directorates or sections within the reporting entity.'

1.5 The NHS Wales Manual for Accounts (applicable to NHS bodies, but based on the FReM) expands on this to say that it is 'usually considered that the regular attendees of the body's board meetings are its senior managers – usually between nine and twelve individuals in total'.

1.6 For each director, the FReM and NHS Manual for Accounts state that disclosure is required of:

- a** name and title;
- b** salary (in bands of £5,000);
- c** any other remuneration (where a senior manager holds two contracts of employment, or some other distinction between duties as a director and other duties that can be soundly established);
- d** performance related bonuses (in bands of £5,000);
- e** benefits in kind; and
- f** information on pension benefits.

1.7 The pension benefit disclosures consist of:

- a** the real increase during the year in pension and related lump sums, and the value of accrued pension and lump sum at the end of the year;
- b** movements in the cash equivalent transfer value (CETV) between the beginning and end of the year (this is the actuarially assessed capitalised value of the pension scheme benefits); and

- c** in the case of a partnership pension account, the employer's contribution.

1.8 In addition, the FReM requires the disclosure of a remuneration ratio. The remuneration ratio is the ratio between the median remuneration of the body's staff (the person paid in the middle of a list of all employees' pay) and the highest paid director (based on the mid-point of the banded remuneration of that director).

1.9 The Remuneration Report should also disclose a statement of the policy on remuneration of senior managers for current and future financial years.

CIPFA Code of Practice on Local Authority Accounting

1.10 The requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting (the Code) apply to all local government bodies (local authorities, police and crime commissioners (PCCs), police chief constables, national parks and fire and rescue authorities).

1.11 These bodies are required to produce annual financial statements that contain certain information about the remuneration of senior managers. They are not required to produce a remuneration report.

1.12 The Code refers to the Accounts and Audit Regulations, which in Wales defines senior managers as:

- a** A person whose salary is more than £150,000 per year.

- b** A person whose salary is at least £60,000 per year and who is the designated head of paid service (or the head of staff if the body does not have a designated head of paid service), a statutory or non-statutory chief officer, or any person having responsibility for the management of the local government body to the extent that the person has the power to direct or control the major activities of the body. (In England, the salary level above which disclosure is required is £50,000.)

1.13 For each senior manager disclosure is required of:

- a** job title (and name if salary is £150,000 or more);
- b** total amounts of salary, fees or allowances;
- c** total amount of bonus payments;
- d** total amount of sums paid by way of expenses allowance (that are chargeable to income tax);
- e** total amount of any compensation for loss of employment;
- f** the body's contribution to the person's pension; and
- g** the total estimated value of any benefits received other than in cash that are emoluments received in respect of their employment by the local government body.

1.14 In addition to information in respect of senior managers, the Code requires disclosure of the number of officers whose remuneration was £60,000 or more, grouped in £5,000 bands. (In England, the remuneration level is £50,000.)

- 1.15** The Code guidance notes also acknowledge that senior officers may receive payments in relation to responsibilities as acting returning officers, and expects authorities to determine whether any payments made need to be disclosed. We have considered this in more detail in [paragraph 2.14](#).
- 1.16** Since 2012-13, parts of the Localism Act 2011 apply to Welsh local authorities. One element of the Act that does apply is to require county (and county borough) councils and fire and rescue authorities to prepare and publish a Pay Policy Statement, although this is not required to be reported as part of the financial statements nor to be audited.
- 1.17** The Pay Policy Statement is required to include:
- a** the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees, and the relationship between them;
 - b** the level and elements of remuneration for each chief officer, including remuneration on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay and bonuses and the approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority;
 - c** the authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers; and
 - d** arrangements for the publication of and access to information relating to remuneration of chief officers.
- 1.18** In preparing this memorandum, we have looked at a sample of pay policy statements and identified inconsistencies in the information they provide. In addition, officials at the Welsh Government have recently written to local authorities and fire and rescue authorities setting out their concerns with regard to considerable variability in coverage, detail and accessibility of the statements. As a result, the Minister for Local Government and Government Business agreed that the guidance should be revised. Revised draft guidance was issued for consultation on 11 November 2013.
- 1.19** The proposed revised guidance also reflects the provision in the Local Government (Democracy) (Wales) Act 2013 that the Independent Remuneration Panel has an opportunity to consider chief officers' pay, with powers to make recommendations about any policy relating to the authority's head of paid service (the Chief Executive).

Summary

1.20 Both the FReM and the CIPFA Code require disclosure of the remuneration of senior managers although their exact requirements differ.

Figure 1 - Comparison of senior manager remuneration disclosures

Disclosure requirements	FReM	CIPFA Code
Remuneration Report	✓	
Disclosure in Financial Statements	✓	✓
Pay Policy Statement		✓
Policy on senior pay	✓ (Remuneration Report)	✓ (Pay Policy Statement)
Salaries and allowances	✓	✓
Performance pay or bonuses	✓	✓
Compensation on loss of office	✓	✓
Benefits in kind	✓	✓
Remuneration ratio	✓	
Pensions – annual increase in accrued pension	✓	
Pensions – Cash Equivalent Transfer Value (CETV)	✓	
Employer's contribution to pension		✓
Number of employees (in bands)		✓ Those earning over £60,000

Part 2 – Comparisons – Chief Executives

- 2.1** This part provides a high level analysis of the salaries of chief executives (or their effective equivalent) across the Welsh public sector.
- 2.2** As noted in **Part 1** the disclosure of chief executive salaries differs between the FReM and the CIPFA Code; the FReM requires disclosure in the financial statements in bands of £5,000 whilst the CIPFA Code requires disclosure of the actual amount.
- 2.3** We have provided a detailed analysis of the disclosures made in the appendices to this memorandum.
- 2.4** In order to provide a more meaningful comparison we have made some general assumptions as follows:
- a** remuneration has been based on gross salary (excluding employers' pension contributions, benefits in kind and expenses – details of which are included in the appendices);
 - b** where a post is filled for part of a year, we have sought to show the 'annualised' figure;
 - c** where two (or more) officers have held the post for different periods of the year, the remuneration has been added together (if the service appears to be continuous and not overlapping).
- 2.5** The analysis below shows for different sectors:
- a** chief executive salary compared to gross revenue expenditure for 2012-13 and to staff numbers;
 - b** chief executive salary over the past few years;
 - c** the pay ratio; and
 - d** gender split.
- 2.6** **Appendix 3** shows a comparison of chief executive salary with a sample of other public sector bodies in the United Kingdom.

NHS bodies

2.7 The analysis below shows chief executive salary compared to 2012-13 gross revenue healthcare expenditure and to staff numbers:

Figure 2 – NHS chief executive salary compared to healthcare expenditure 2012-13

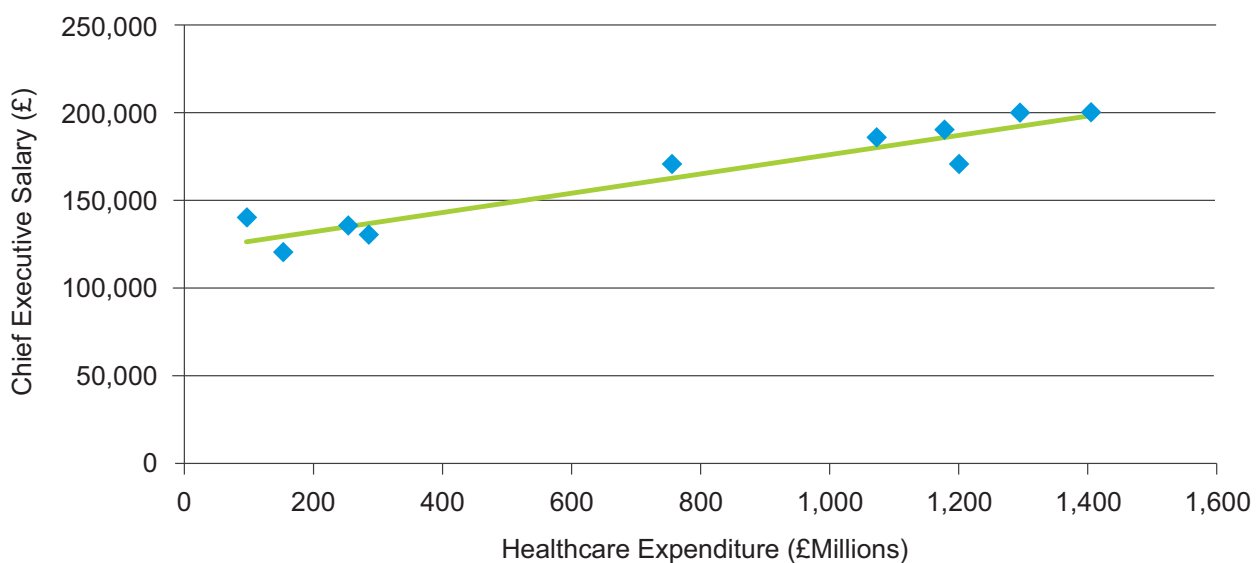
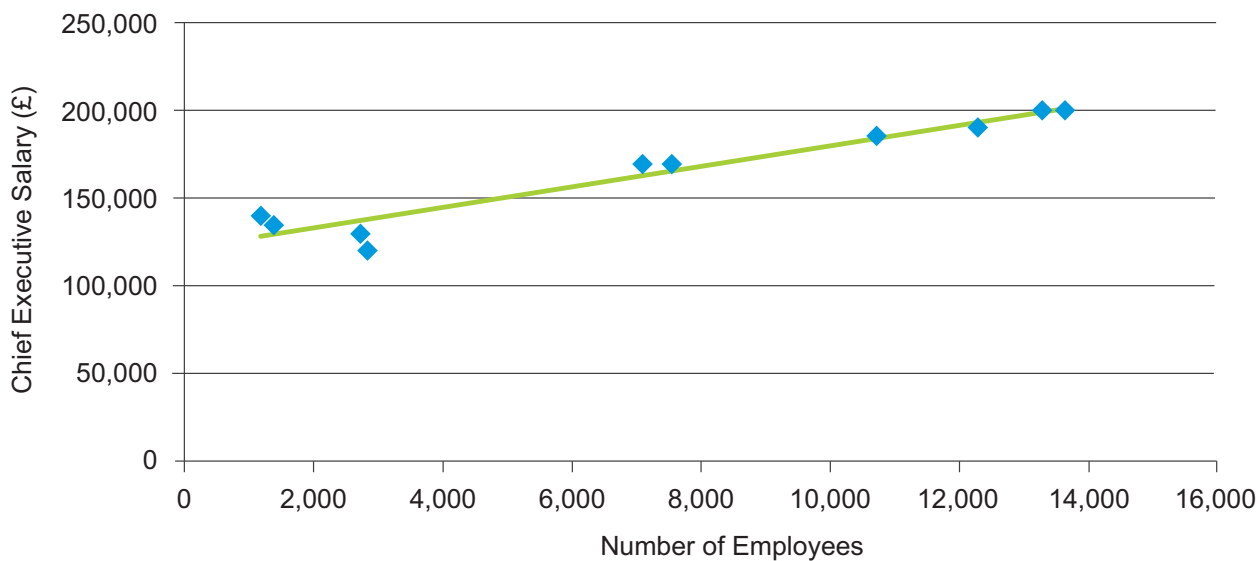


Figure 3 – NHS chief executive salary compared to employee numbers 2012-13



2.8 The majority of NHS bodies were re-organised during 2009-10, when NHS trusts were merged with local health boards to create larger local health boards. The trend analysis below therefore shows the chief executive salary at each NHS body since 2010-11. As salary for these bodies is disclosed in bands of £5,000, we have used the lowest point in the relevant band. For example, if the band is £190,000 to £195,000, we have shown the salary to be £190,000.

Figure 4 – NHS chief executive salary trend

NHS Bodies	2010-11	2011-12	2012-13
Abertawe Bro Morgannwg University Health Board	£190,000	£190,000	£200,000
Aneurin Bevan University Health Board	£185,000	£185,000	£185,000
Betsi Cadwaladr University Health Board	£200,000	£200,000	£200,000
Cardiff and Vale University Health Board	£185,000	£185,000	£190,000
Cwm Taf University Health Board	£160,000	£170,000	£170,000
Hwyel Dda University Health Board	£170,000	£170,000	£170,000
Public Health Wales NHS Trust	£140,000	£140,000	£140,000
Powys Teaching Health Board	£125,000	£130,000	£135,000
Velindre NHS Trust	£100,000	£130,000	£130,000
Welsh Ambulance Services NHS Trust	£120,000	£120,000	£120,000

Note
In 2010-11 the Velindre NHS Trust Director of Finance was Acting Chief Executive for part of the year. The salary has been annualised for the full year.

Local government

Unitary authorities

2.9 The analysis below shows chief executive salaries compared to the gross cost of services and staff numbers for 2012-13.

Figure 5 – Unitary authority chief executive salary compared to the gross cost of services 2012-13

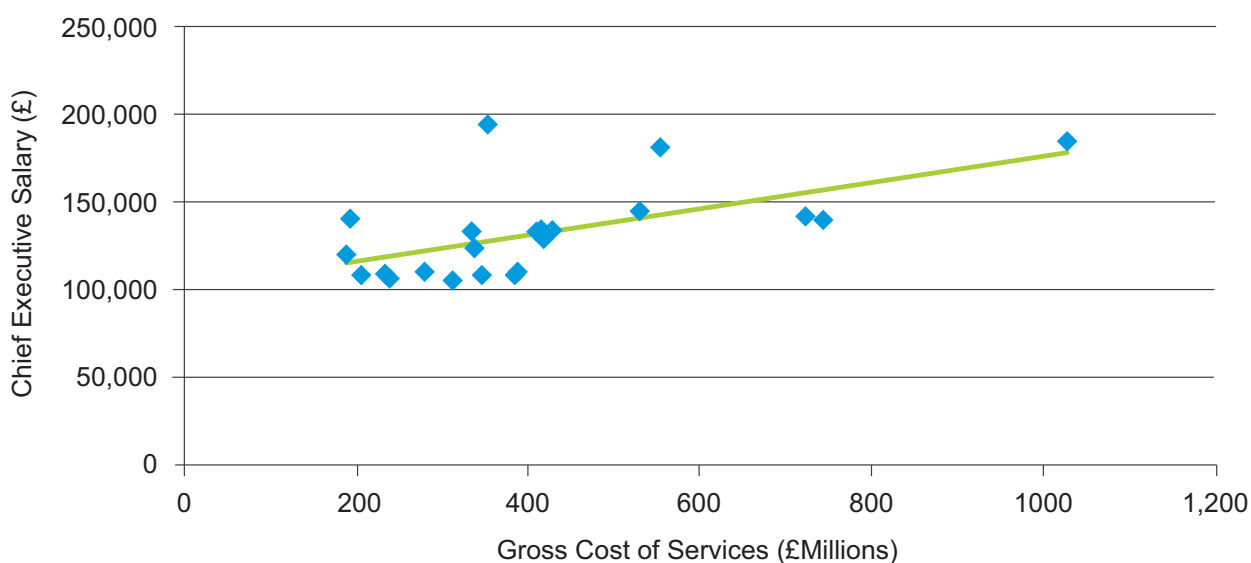
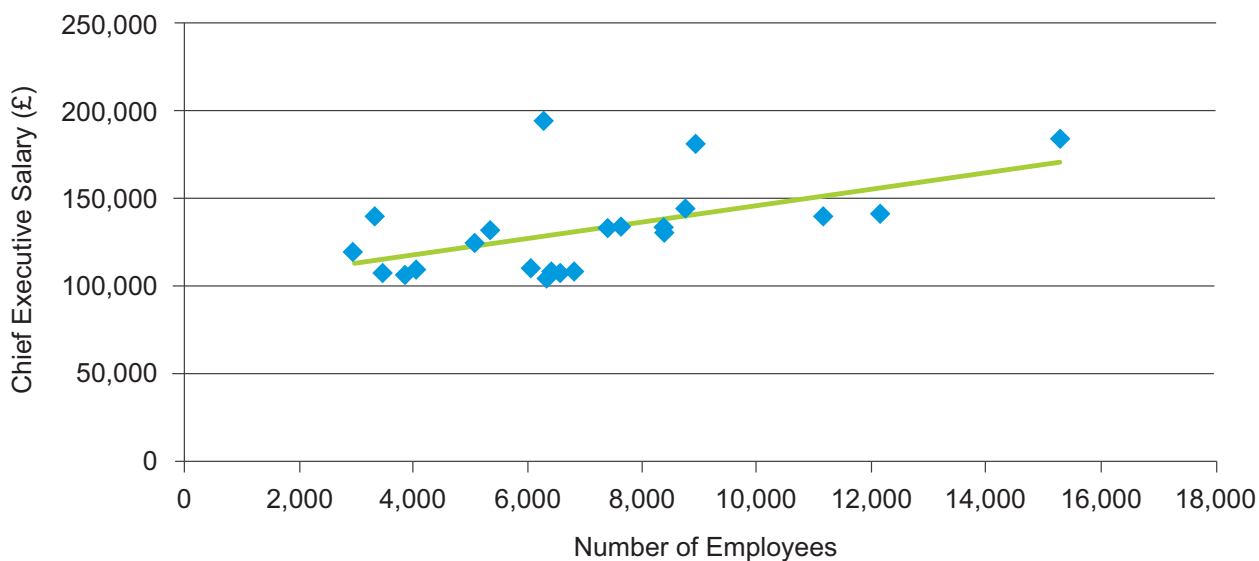


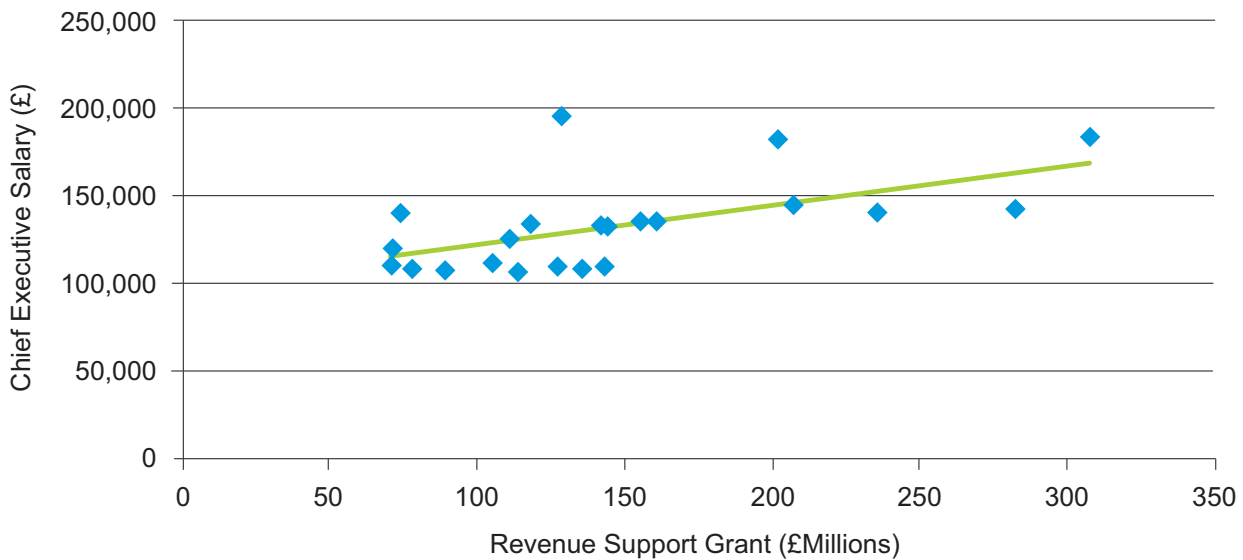
Figure 6 – Unitary authority chief executive salary compared to the number of employees 2012-13



2.10 In considering the gross cost of services, the financial statements may include a number of significant accounting adjustments, such as the revaluation or impairment of fixed assets. Such adjustments might suggest inconsistencies in using the gross cost of services as the comparator. We have therefore also shown a comparison against the annual Revenue Support Grant (RSG) in **Figure 7**.

2.11 This shows a similar position to using the gross cost of services, confirming that, for 2012-13, the accounting adjustments do not make a significant difference for these comparison purposes.

Figure 7 – Unitary authority chief executive salary compared to Revenue Support Grant 2012-13



2.12 A trend analysis of chief executive salaries over the last four years is shown in [Figure 8](#). As explained in [paragraph 2.4](#), we have made the following assumptions:

- a** Salary excludes fees or allowances paid. In particular we have excluded any payment for returning officer duties, where this information is disclosed in the financial statements. Where the disclosure does not state whether or not the salary includes payment for returning officer duties or the amounts paid, the salary is shown in italics in [Figure 8](#). A further comment on returning officer fees is included in [paragraph 2.14](#).
- b** Where a post was filled for part of a year, the 'annualised' figure has been used. This applies to Anglesey 2011-12, Newport in 2009-10 and 2012-13, and Wrexham in 2011-12.
- c** Where two officers have held the post, but the periods are consecutive and cover the whole year, the two salaries have been added together. This applies to the Vale of Glamorgan in 2012-13 (where the Chief Executive retired and a Managing Director was appointed) and Bridgend (where the disclosure is unclear whether the post was covered consecutively).

2.13 Additional explanatory notes are included at the end of the table.

Figure 8 – Unitary Authorities – chief executive salary trend

Local government	2009-10	2010-11	2011-12	2012-13
Anglesey County Council (Isle of)	£124,700	£227,900	£110,986	£141,000
Blaenau Gwent County Borough Council	£114,146	£111,866	£103,050	£107,347
Bridgend County Borough Council	£131,251	£131,178	£131,091	£109,263
Caerphilly County Borough Council	£131,645	£123,665	£123,665	£144,598
Cardiff County Council	£176,376	£176,376	£179,663	£183,726
Carmarthenshire County Council	£164,847	£165,349	£185,365	£181,645
Ceredigion County Council	£102,821	£105,523	£108,226	£108,226
Conwy County Borough Council	£111,863	£114,435	£100,140	£105,851
Denbighshire County Council	£108,722	£131,667	£124,859	£125,000
Flintshire County Council	£131,233	£131,233	£131,233	£131,233
Gwynedd Council	£108,264	£108,264	£108,264	£108,264
Merthyr Tydfil County Borough Council	£137,195	£137,195	£120,213	£120,495
Monmouthshire County Council	£110,000	£110,000	£110,000	£110,000
Neath Port Talbot County Borough Council	£134,253	£134,253	£129,725	£134,253
Newport City Council	£116,836	£116,836	£122,770	£134,636
Pembrokeshire County Council	£156,745	£159,462	£208,170	£194,661
Powys County Council	£124,000	£127,000	£130,000	£133,000
Rhondda Cynon Taf County Borough Council	£142,000	£142,000	£142,000	£142,000
Swansea (City and County of)	£155,901	£163,077	£140,000	£140,000
Torfaen County Borough Council	£111,278	£111,278	£110,850	£111,279
Vale of Glamorgan Council	£143,026	£141,469	£146,412	£133,565
Wrexham County Borough Council	£107,472	£109,040	£105,000	£109,000

Explanatory notes to Figure 8:

Anglesey	Ministerial appointment of an interim Chief Executive in 2009-10 and 2010-11.
Blaenau Gwent	Salary includes remuneration relating to directorship of Silent Valley Waste Services Ltd for each year.
Caerphilly	Chief Executive salary in 2012-13 subject to the Appointed Auditor's <i>Report in the Public Interest</i> .
Carmarthen	2011-12 includes returning officer fees, but the amount is not disclosed. 2012-13 includes an additional payment representing the employer's pension contribution following the Chief Executive's opt-out of the local government pension scheme (see comments in Part 5)
Conwy	2010-11 and 2011-12 salary reflects change in the Chief Executive.
Pembrokeshire	2011-12 includes returning officer fees, but the amount is not disclosed. 2012-13 includes an additional payment representing the employer's pension contribution following the Chief Executive's opt-out of the local government pension scheme (see comments in Part 5).
Swansea	The Council's Pay Policy Statement states that the Chief Executive's salary and job description include his role as returning officer for local government elections.

Returning officer fees

2.14 Senior officers of unitary authorities, in most cases the chief executive, also receive payment for their roles as returning officers. CIPFA has not issued a definitive statement regarding the inclusion or otherwise of returning officer fees in the remuneration of senior officers. Consequently, there is some inconsistency in the interpretation and disclosure of returning officer fees within Welsh councils' remuneration disclosures.

2.15 The CIPFA Code guidance notes state that: 'With regard to payments in relation to responsibilities for acting returning officers, paragraph 4.5 of the Acting Returning Officers Manual makes it clear that the ARO role is separate from an officer's employment

with the local authority, even though they take on the role directly as a result of that employment: Practitioners will need to determine whether any payments then made in relation to the ARO role meet the authority's interpretation of "remuneration...in respect of their employment by the relevant body" per the Accounts and Audit Regulations.'

2.16 Chief executives (or other senior officers) may receive returning officer fees for:

- a** Local elections, where each council is required to appoint an officer of the council to be the returning officer for the election of councillors to the local authority area and for the election of councillors for any communities in the principal area. The appropriate local authority or community

council pays the fee for this role. In practice, most unitary authorities in Wales pay a fee for this role, in addition to the officer's salary.

- b** National Assembly elections, the Welsh Government (Social Justice and Local Government Minister) appoints a regional returning officer. For the 2011 National Assembly election, constituency elections were based on parliamentary boundaries, with returning officers receiving a fee and for the five regional elections, returning officers were appointed, all of them being returning officers for specific Welsh unitary authorities.
- c** Parliamentary elections, the post of returning officer is treated as an honorary one, held generally by a Sheriff, but, in practice, the task of conducting the election is delegated to an acting returning officer, again who is usually the chief executive or another senior officer in the local authority.
- d** Police and Crime Commissioner elections, where the Secretary of State designated a Police Area Returning Officer, who must be an acting returning officer for a Parliamentary constituency within the

police area. A local returning officer is then appointed for each voting area (the local authority area) and this appointment flows automatically from the appointment as returning officer for local government elections in that area.

- e** European Parliamentary elections are also run by local returning officers, for which a fee is paid.

2.17 Therefore, whilst the returning officers (and payment) for local government elections are part of the unitary authority's requirements, other returning officer roles are not and it remains debatable whether fees for those roles should be disclosed within an authority's financial statements. However, the other returning officer roles tend to be as a result of the appointment as returning officers for local government elections.

National Park Authorities

2.18 For national parks the comparisons of chief executive salary to gross expenditure for 2012-13, and a four-year trend are shown in [Figure 9](#).

Figure 9 – National parks – chief executive salary comparison and trend

National Park Authorities	Gross expenditure (£000)	2009-10	2010-11	2011-12	2012-13
Brecon Beacons	6,608	£70,000	£71,000	£72,000	£74,000
Pembrokeshire	6,817	£92,000	£79,000	£74,000	£76,000
Snowdonia	8,464	£75,000	£75,000	£75,000	£75,000

Fire and Rescue Authorities

2.19 For Fire and Rescue Authorities the comparisons of the chief fire officer (the chief executive) salary to gross expenditure for 2012-13, and a four-year trend are shown in **Figure 10**. Where appropriate, salary has been annualised to show comparable figures.

Police

2.20 November 2012 saw the election of Police and Crime Commissioners (PCCs), and the introduction of separate financial reporting requirements for the PCC and the Chief Constable. We have therefore only shown in **Figure 11** the gross costs of services for the PCC and Chief Constable Group Accounts for 2012-13 the salaries payable for:

- a** PCCs and Chief Executives (or equivalent officer) of the Office of the PCC; and
- b** Chief Constables.

Figure 10 – Fire authority chief fire officer salary comparison and trend

Fire Authorities	Gross expenditure (£000)	2009-10	2010-11	2011-12	2012-13
Mid and West Wales	45,243	£126,648	£128,090	£129,837	£131,187
North Wales	31,678	£115,556	£114,410	£116,387	£116,387
South Wales	73,400	£124,000	£124,000	£105,000	£126,000

Figure 11 – Police and crime commissioners and chief constable salary

Police and Crime Commissioners	Group Gross Cost of Services Expenditure 2012-13 (£000)	Commissioner Salary 2012-13	Commissioner Chief Executive Salary 2012-13	Chief Constable Salary 2012-13
Dyfed Powys	121,522	£65,000	£95,891	£139,536
Gwent	142,830	£70,000	£90,756	£133,068
North Wales	164,055	£70,000	£73,660	£136,751
South Wales	304,487	£85,000	£67,337	£154,370

Note
Some of these posts were filled by different individuals during the year and salaries have been annualised to show comparable figures.

Probation Trust

2.21 The Wales Probation Trust was created in 2010-11 following the amalgamation of the four Welsh probation boards. **Figure 12** shows gross expenditure for 2012-13 and the chief executive salary since 2010-11, although there were three individuals covering the role in 2010-11.

Figure 12 – Probation Trust chief executive salary and trend

	Gross Expenditure (£000)	2010-11	2011-12	2012-13
Wales Probation Trust	54,834	£70,000	£95,000	£100,000

Welsh Government and other bodies

2.22 In seeking to provide meaningful comparison for central government bodies, we have considered two different types of 'organisation':

- a** bodies funded directly from the Welsh Consolidated Fund, which includes the Welsh Government, the National Assembly for Wales Commission, the Public Services Ombudsman for Wales and the Auditor General for Wales; and
- b** Welsh Government Sponsored Bodies, and other bodies (the Children's, Older People's and Welsh Language Commissioners and Estyn) funded by the Welsh Government.

2.23 For the purposes of our paper we have taken the most senior role in the organisation (eg, Permanent Secretary, Commissioner, Chief Executive or Auditor General for Wales) as being the best proxy for that of a chief executive.

Bodies funded directly from the Welsh Consolidated Fund

2.24 **Figure 13** shows 2012-13 gross expenditure and chief executive, or relevant officer, salary for the past four years. As for NHS bodies, the FReM requires disclosures in bands of £5,000, so we have used the lowest point on the relevant band. Where appropriate, salary has been annualised to show comparable figures.

Figure 13 – Bodies funded from the Welsh Consolidated Fund chief executive salary and trend

	Gross Expenditure (£000)	2009-10	2010-11	2011-12	2012-13
Auditor General for Wales	19,261	£164,706	£142,850	£150,000	£150,000
National Assembly for Wales Commission	47,145	£135,000	£135,000	£135,000	£140,000
Public Services Ombudsman for Wales	3,961	£135,000	£135,000	£135,000	£135,000
Welsh Government	14,557,162	£160,000	£160,000	£160,000	£160,000

Note
For 2009-10 and part of 2010-11, the Auditor General for Wales' salary includes an interim Auditor General for Wales.

Welsh Government Sponsored Bodies and others funded directly by the Welsh Government

2.25 A comparison of the chief executive, or equivalent officer, for these bodies, based on 2012-13 gross expenditure and the number of employees is shown in [Figures 14 and 15](#). For the comparison, the Higher Education Funding Council for Wales (HEFCW) has been excluded from [Figure 14](#), given the significant revenue turnover of the organisation and the impact it has on the scale of the graph.

Figure 14 – WGSB and other bodies: chief executive salary compared to gross expenditure 2012-13

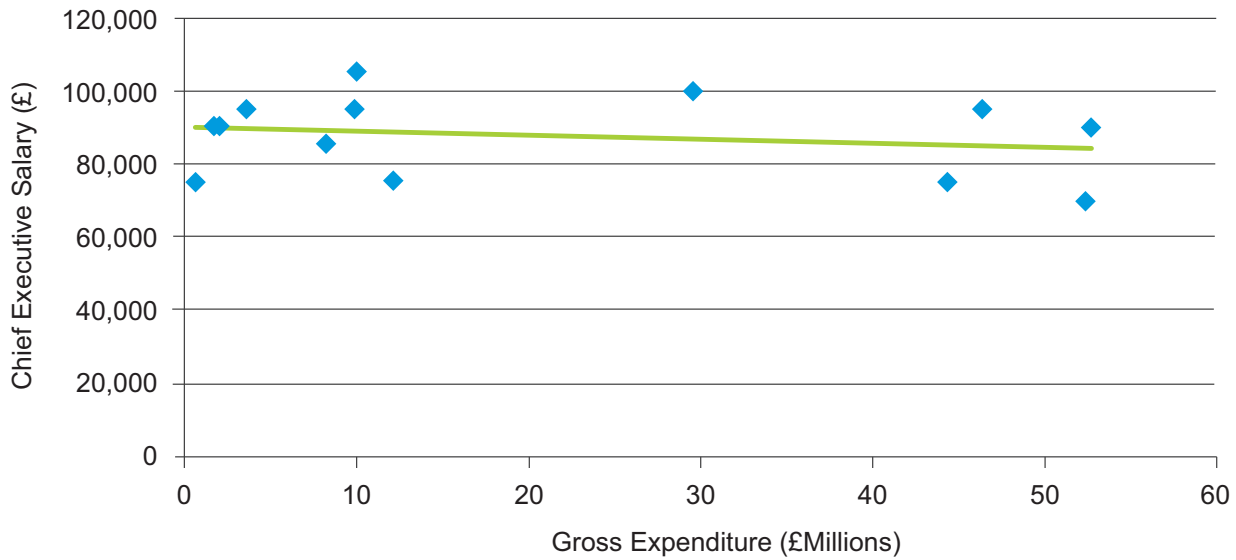
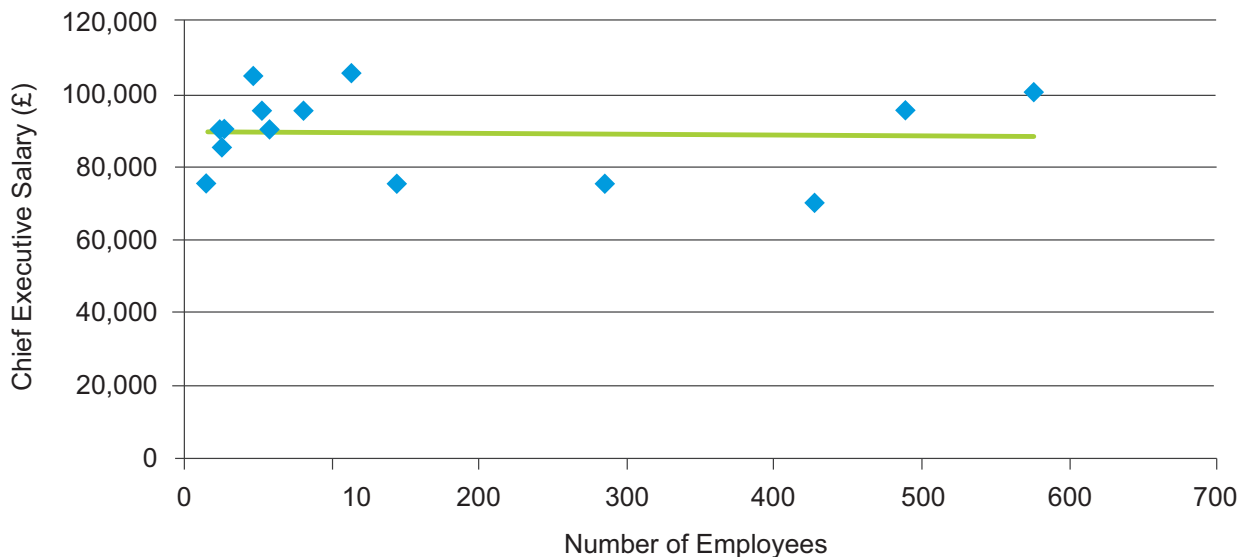


Figure 15 – WGSB and other bodies: chief executive salary compared to employee numbers 2012-13



2.26 Analysis of the chief executive (or equivalent officer) salary over the past four years is shown in **Figure 16**. The FReM requires disclosures in bands of £5,000, so we have used the lowest point on the relevant band. As explained earlier, some of the salaries have been annualised to show comparable figures.

Figure 16 – WGSB and other bodies: chief executive basic salary trend

	2012-13 Gross Expenditure (£000)	2009-10	2010-11	2011-12	2012-13
Arts Council for Wales	£52,873	£90,000	£90,000	£90,000	£90,000
Care Council for Wales	£9,887	£95,000	£95,000	£95,000	£95,000
Children’s Commissioner for Wales	£1,755	£90,000	£95,000	£90,000	£90,000
Countryside Council for Wales	£46,523	£95,000	£90,000	£90,000	£95,000
Estyn	£9,979	£95,000	£100,000	£105,000	£105,000
Forestry Commission Wales	£52,511	£65,000	£70,000	£70,000	£70,000
General Teaching Council for Wales	£8,243	£75,000	£75,000	£80,000	£85,000
Higher Education Funding Council for Wales	£391,914	£105,000	£105,000	£105,000	£105,000
Boundary Commission for Wales	£648	£50,000	£50,000	£50,000	£75,000
National Library of Wales	£12,294	£75,000	£75,000	£75,000	£75,000
National Museum Wales	£29,657	£100,000	£100,000	£100,000	£100,000
Older People’s Commissioner for Wales	£2,047	£90,000	£90,000	£90,000	£90,000
Sport Wales	£44,512	£75,000	£75,000	£75,000	£75,000
Welsh Language Commissioner	£3,570				£95,000

Note
The Forestry Commission and Countryside Council became part of Natural Resources Wales in 2013-14. The Chief Executive for the Countryside Council also received payments under a voluntary exit scheme, not included in this comparison.

Gender

2.27 Figure 17 shows an analysis of gender of the chief executives (or equivalent officers) across the Welsh public sector. It also includes a comparison with the position in 2008, where the bodies are comparable.

Figure 17 – Gender split chief executives

	2012-13		2008	
	Male	Female	Male	Female
NHS Bodies	8	2	Not comparable bodies	
Unitary Authorities	18	4	18	4
National Parks	3	0	3	0
Fire Authorities	3	0	3	0
Police and Crime Commissioners	4	0	Not comparable bodies	
Police Forces (Chief Constables)	4	0	3	1
Wales Probation Trust	0	1	Not comparable bodies	
Welsh Consolidated Fund Bodies	3	1	3	1
Welsh Government Sponsored Bodies and other Welsh Government funded	10	4	12	2
Total	53	12	42	8
Percentage	81.5%	18.5%	84%	16%

Pay ratios

2.28 Bodies reporting under the FReM include the ratio between the median staff pay (the salary of the person in the middle of a list of all employees' pay) and the highest paid director (based on the mid-point of the banded remuneration for that director). These are shown with the 'staff pay multiplier' being the ratio for 2012-13. The highest paid director column shows the lowest point in the relevant band.

2.29 Although local government bodies are not required to publish pay ratios, the Pay Policy Statements should include a number of different ratios. Of the sample we reviewed, the information provided is inconsistent and, in some cases the median staff to chief executive ratio is not reported.

Figure 18 – Pay ratio – NHS bodies 2012-13

Health bodies	Highest paid director band	Median staff pay	Staff pay multiplier
Abertawe Bro Morgannwg University Health Board	£200,000	£27,625	7.00
Aneurin Bevan University Health Board	£200,000	£26,456	7.70
Betsi Cadwaladr University Health Board	£200,000	£26,557	7.63
Cardiff and Vale University Health Board	£200,000	£27,625	7.33
Cwm Taf University Health Board	£170,000	£26,385	6.50
Hwyl Dda University Health Board	£180,000	£27,625	7.00
Public Health Wales NHS Trust	£140,000	£29,464	5.17
Powys Teaching Health Board	£135,000	£25,609	5.40
Velindre NHS Trust	£130,000	£23,000	5.80
Welsh Ambulance Services NHS Trust	£135,000	£28,174	4.88

Figure 19 – Pay ratio – central government bodies 2012-13

Central government	Highest paid director band	Median staff pay	Staff pay multiplier
Bodies funded directly from the Welsh Consolidated Fund			
National Assembly for Wales Commission	£140,000	£27,897	4.80
Public Services Ombudsman for Wales	£135,000	£38,961	3.60
Wales Audit Office	£150,000	£45,964	3.24
Welsh Government	£200,000	£31,800	6.30
Welsh Government Sponsored Bodies and others funded directly from the Welsh Government			
Arts Council for Wales	£90,000	£30,000	3.12
Care Council for Wales	£95,000	£28,965	3.37
Children's Commissioner for Wales	£90,000	£33,200	2.86
Countryside Council for Wales	£150,000	£31,098	4.90
Estyn	£105,000	£54,500	2.16
Forestry Commission Wales	£70,000	£24,692	2.93
General Teaching Council for Wales	£85,000	£25,200	3.50
Higher Education Funding Council for Wales	£105,000	£41,517	2.70
Boundary Commission for Wales	£75,000	£24,658	3.10
National Library of Wales	£95,000	£20,132	4.82
National Museum Wales	£105,000	£21,510	5.00
Older People's Commissioner for Wales	£90,000	£31,184	2.92
Sports Wales	£75,000	£17,122	4.50
Welsh Language Commissioner	£95,000	£33,200	2.94

Note

The highest paid director band for the Countryside Council for Wales includes termination payments made to the Chief Executive.

Part 3 – Comparisons - directors and senior managers

- 3.1** This part provides a high level analysis of the salaries of directors and senior managers across the Welsh public sector (excluding chief executives).
- 3.2** As noted in **Part 1** the disclosure of directors' and senior managers' salaries differs between the FReM and the CIPFA Code; the FReM requires disclosure in the financial statements in bands of £5,000 whilst the CIPFA Code requires disclosure of the actual amount.
- 3.3** We have provided a detailed analysis of the disclosures made in the appendices to this memorandum.
- 3.4** The comparisons below show:
 - a** the number of directors or senior managers, within £25,000 pay bands and for unitary authorities, the numbers of head teachers;
 - b** a comparison of total costs for directors/ senior managers compared to relevant gross expenditure; and
 - c** gender.

NHS bodies

- 3.5** Directors' pay is shown in **Figure 20** by using the numbers in £25,000 pay bands – excluding the chief executive. The 2012-13 gross expenditure on healthcare (GHE) has also been included (as an indicator of the size of the NHS body).
- 3.6** The disclosure required and reported below is of the number of directors (as defined by the *NHS Manual for Accounts*), not all staff paid within the relevant pay bands.

Figure 20 – NHS director numbers 2012-13

NHS Bodies	GHE (£000)	Pay Bands (£000)							
		50-74	75-99	100-124	125-149	150-174	175-199	200-224	
Abertawe Bro Morgannwg University Health Board	1,296,186		1	1	5	1			8
Aneurin Bevan University Health Board	1,071,838		4	2	4			1	11
Betsi Cadwaladr University Health Board	1,404,656	1	1	3	4	1			10
Cardiff and Vale University Health Board	1,178,996			2	3	2	1		8
Cwm Taf University Health Board	1,199,874			7		1			8
Hwyel Dda University Health Board	757,150		4	6	1				11
Public Health Wales NHS Trust	98,314	1	5	1	1				8
Powys Teaching Health Board	257,090	1	4	1	1				7
Velindre NHS Trust	288,168		2	1	1				4
Welsh Ambulance Services NHS Trust	156,101		5	1	1				7

Note
The highest paid director is generally the medical director. The disclosures do not specify whether any of the medical director's salary relates to clinical commitments.

Local government

3.7 For local government bodies, **Figure 21** shows the numbers of senior officers (as defined by the Code) disclosed, within £25,000 pay bands (although the disclosure requirement is for senior officers earning over £60,000), together with gross expenditure (GE), as an indicator of the size of the organisation.

The disclosure does not include all staff paid within the relevant band, just those that each authority has considered meets the Code definition of a senior manager. As identified earlier, salary has been annualised for staff in post for part of the year, or combined where two staff held the post consecutively.

Figure 21 – Unitary authorities – senior manager numbers 2012-13

Unitary authorities	GE (£000)	Pay bands (£000)				
		60-74	75-99	100-124	125-149	
Anglesey County Council (Isle of)	193,217	1	2			3
Blaenau Gwent County Borough Council	235,836	4	4			8
Bridgend County Borough Council	388,238	1	1	3		5
Caerphilly County Borough Council	530,272		1	2	1	4
Cardiff County Council	1,026,237	6	8	1	1	16
Carmarthenshire County Council	554,100			4	1	5
Ceredigion County Council	206,147		5			5
Conwy County Borough Council	312,379	10	2			12
Denbighshire County Council	335,461	12	4			16
Flintshire County Council	418,113	1	6			7
Gwynedd Council	346,740	12	3			15
Merthyr Tydfil County Borough Council	187,833	9	2			11
Monmouthshire County Council	234,269	5	2			7
Neath Port Talbot County Borough Council	429,204		1	3		4
Newport City Council	416,072	1	4	1		6
Pembrokeshire County Council	352,721			4		4
Powys County Council	409,708	5	9	2		16
Rhondda Cynon Taf County Borough Council	722,565		2	4		6
Swansea (City and County of)	741,988	9	8	4		21
Torfaen County Borough Council	279,983	3	7			10
Vale of Glamorgan Council	333,318		2	3		5
Wrexham County Borough Council	385,977		12			12

Note
Carmarthenshire County Council – the highest pay band is a combination of salary paid to two individuals undertaking one Director role during the year.

Figure 22 – Fire authority senior manager numbers 2012-13

Fire authorities	GE (£000)	Pay bands (£000)			
		60-74	75-99	100-124	
Mid and West Wales Fire Authority	45,243		3	1	4
North Wales Fire Authority	31,678	1	2		3
South Wales Fire Authority	73,400		4		4

Figure 23 – National park authority senior manager numbers 2012-13

National parks	GE (£000)	Pay bands (£000)		
		60-74	75-99	
Brecon Beacons	6,608	2		2
Pembrokeshire	6,817			0
Snowdonia	8,464	1		1

Note
Snowdonia National Park's Chief Finance Officer is a part-time post: the annualised salary would be in the £60-74 pay band.

Figure 24 – Offices of police and crime commissioners and chief constables – senior manager numbers 2012-13

PCCs and Chief Constables	Group expenditure (£000)	Pay bands (£000)					
		60-74	75-99	100-124	125-149	150-179	
Dyfed Powys PCC							0
Dyfed Powys Police	121,522			2	1	1	4
Gwent PCC		1	1				2
Gwent Police	142,830		2	1			3
North Wales PCC		1					1
North Wales Police	164,055			3			3
South Wales PCC		2					2
South Wales Police	304,487			6	1		7

Note
Dyfed Powys PCC and Police – the Director of Finance and Resources provides services to both the PCC and Chief Constable.

Welsh Government and other bodies

3.8 For the Welsh central government bodies, the analysis in [Figure 25](#) shows the number of directors, disclosed in pay bands of £25,000, together with 2012-13 gross expenditure. These disclosures do not include all staff paid within the relevant pay bands, just those officers that meet the FReM disclosure requirements, based on the definition of a 'director'.

Figure 25 – Central government bodies – senior manager numbers 2012-13

	GE (£000)	Pay bands (£000)							
		50-74	75-99	100-124	125-149	150-174	175-199	200-224	
Bodies funded directly from the Welsh Consolidated Fund									
National Assembly for Wales Commission	47,145	2	1	1					4
Public Services Ombudsman for Wales	3,961		1						1
Wales Audit Office	19,261			3					3
Welsh Government	14,557,162			1	5			1	7
Welsh Government Sponsored Bodies and others funded directly from Welsh Government									
Arts Council for Wales	52,873	5							5
Care Council for Wales	9,887	3							3
Children's Commissioner for Wales	1,755	3							3
Countryside Council for Wales	46,523	2	2						4
Estyn	9,979	2							2
Forestry Commission Wales	52,511	5							5
General Teaching Council for Wales	8,243	6							6
Higher Education Funding Council for Wales	391,914		1						1
Boundary Commission for Wales	648								0
National Library of Wales	12,294	3							3
National Museum Wales	28,545	4	1						5
Older People's Commissioner for Wales	2,047	4	1						5
Sports Wales	44,512	6							6
Welsh Language Commissioner	3,570	2							2

Note

The highest paid director in the Welsh Government was the Director General (Health and Social Services) on secondment from Abertawe Bro Morgannwg University Health Board.

Gender

3.9 Figure 26 shows the gender split for directors and senior managers.

Figure 26 – Gender split senior managers

		M	F
NHS Bodies	2012-13	39	42
	%	48%	52%
Unitary Authorities	2012-13	142	54
	%	72%	28%
National Parks	2012-13	3	0
	%	100%	0%
Fire Authorities	2012-13	7	4
	%	64%	36%
Police and Crime Commissioners	2012-13	5	3
	%	63%	37%
Police Force	2012-13	13	3
	%	81%	19%
Wales Probation Trust	2012-13	2	1
	%	67%	33%
Welsh Consolidated Fund Bodies	2012-13	11	4
	%	73%	27%
Welsh Government Sponsored Bodies and other Welsh Government funded bodies	2012-13	30	16
	%	65%	35%
	2012-13	252	127
	%	66%	34%

Head teachers

3.10 Members of the Public Accounts Committee also asked for head teachers to be included in the analysis. Whilst unitary authorities are not required to include head teachers in their senior management disclosure note, all staff paid over £60,000 are disclosed, showing the numbers paid in pay bands of £5,000.

3.11 Figure 27 shows the number of head teachers per authority included in the disclosure of staff earning more than £60,000, using the £25,000

pay bands that we have used for director and senior manager numbers above. This may not include all head teachers in an authority.

3.12 The figures should be considered as indicative because disclosures may be inconsistent in the way employers' pension contributions are treated and in some cases, particularly, Blaenau Gwent County Borough Council, include payments made under termination agreements.

Figure 27 – Head teacher numbers 2012-13

	Pay bands (£000)				
	60-74	75-99	100-124	125-149	
Anglesey County Council (Isle of)		5			5
Blaenau Gwent County Borough Council	6	6	2	1	15
Bridgend County Borough Council	17	8			25
Caerphilly County Borough Council	18	11			29
Cardiff County Council	35	15	3		53
Carmarthenshire County Council	17	7	3		27
Ceredigion County Council	6	5	1		12
Conwy County Borough Council	6	4	1		11
Denbighshire County Council	7	6			13
Flintshire County Council	17	7			24
Gwynedd Council	10	3			13
Merthyr Tydfil County Borough Council	9	3			12
Monmouthshire County Council	5	6			11
Neath Port Talbot County Borough Council	13	6			19

Figure 27 – Head teacher numbers 2012-13 (continued)

	Pay bands (£000)				
	60-74	75-99	100-124	125-149	
Newport City Council	19	9			28
Pembrokeshire County Council	8	5			13
Powys County Council	12	3			15
Rhondda Cynon Taf County Borough Council	28	17			45
Swansea (City and County of)	30	10	1		41
Torfaen County Borough Council	13	4	1		18
Vale of Glamorgan Council	14	6	1		21
Wrexham County Borough Council	15	2			17

Part 4 – How senior management pay is set

4.1 This part of the memorandum provides an outline of how senior management pay is set within the public sector in Wales, together with indications of any flexibility available to organisations when setting pay structures.

NHS bodies

4.2 Further to the Welsh NHS reorganisation, in 2011 Executive Director posts were evaluated by the Welsh Government based on the Civil Service Job Evaluation for Senior Posts (JESP), and are subject to the following high level principles:

- a** All health board chief executives, executive directors and other directors will be placed on a spot salary. Executive directors/directors are appointed to the minimum of the salary band range (as defined by the points level from job evaluation), although where there are significant additional responsibilities, remuneration at a level above the minimum point can be determined locally by the body's Remuneration and Terms of Service Committee.
- b** There will be no incremental movement.
- c** Performance pay will not apply.
- d** Any inflationary annual uplift in salary will be determined by the Welsh Government.
- e** Welsh Government approval will be required in the exceptional event that remuneration needs to be above the maximum of the salary band range.

4.3 Consequently, for NHS bodies, remuneration of senior managers has to comply with directives issued by the Welsh Government through the JESP Job Evaluation system, but with some scope for local determination.

Local government

Unitary authorities

- 4.4** The Local Government Act 1972 (Section 112) sets out that local authorities have the 'power to appoint officers on such reasonable terms and conditions as the Authority thinks fit'.
- 4.5** Authorities also have a statutory obligation under the Localism Act 2011 to prepare an annual Pay Policy Statement. The purpose of the Statement is to articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly senior officers and the lowest paid employees.
- 4.6** Authorities in Wales appear to be consistent in their approach to setting senior pay through the application of a job evaluation scheme, of some sort.
- 4.7** A review of a sample of pay policy statements shows a range of methods in evaluating senior officer pay including:
 - a** the HAY group job evaluation scheme, where HAY are asked to provide information about salary levels based on their assessment of relative job sizes and benchmarking against market comparisons for posts of similar size and complexity;

- b** re-evaluation locally on re-organisation or appointment of a new Chief Executive; or
- c** use of a national job evaluation scheme, in particular the National Joint Council scheme or, more widely used, the Greater London Provincial Council (GLPC) scheme, which was developed to support local authorities in carrying out their obligations under the national agreement on single status.

4.8 On 18 June 2013 the National Assembly for Wales approved the Local Government (Democracy) (Wales) Bill. One remit of the Bill is to amend the responsibilities of the Independent Remuneration Panel for Wales.

4.9 The current remit of the Panel is to set out the type and levels of payments that councils may or must make available to their members and co-opted members. The Bill will extend the Panel's remit to include making recommendations to 'relevant authorities' on any proposed changes to the salary of the authority's head of paid services and any policies relating to that salary. A 'relevant authority' is any authority that is required to prepare a Pay Policy Statement.

Fire and rescue authorities

4.10 Welsh fire and rescue authorities have adopted a method of determining chief officer pay at a local level by way of independent periodic review. The review considers both the National Joint Council (for brigade managers of fire and rescue authorities), which reviews pay annually at a national level and sets a minimum rate of pay per population banding but also allows for local consideration and benchmarks, if considered appropriate. Fire and rescue authorities tend to use this to set the Chief Fire Officer's pay, with other senior officers based on a proportion of that.

4.11 Whilst there is an element of use of a national scale, authorities have local discretion over the pay rates set.

Police authorities

4.12 Chief constable pay is set centrally by the Home Office, with a 'spot rate' set, using a formula that considers the size of the population in the force area and the type of policing challenges faced by the force. Police and crime commissioners have discretion to offer a salary range of 10 per cent (up or down) from the relevant chief constable spot rate when advertising for a new chief constable.

4.13 Police and crime commissioners' salaries are set by the Secretary of State.

National parks

4.14 The Welsh national parks set senior pay by applying the HAY Job Evaluation Scheme, in line with some unitary authorities.

Welsh Government and other bodies

4.15 Senior Civil Service pay scales are set by the UK Cabinet Office. All Senior Civil Service posts are also subject to JESP job evaluation. If requested by the Presiding Officer of the National Assembly for Wales, the Senior Salaries Review Body can offer advice on the pay, pensions and allowances of senior office holders.

4.16 The Welsh Government is responsible for determining the level of annual salary increase for WGSB chief executives along with the annual Pay Remits under the terms and conditions of their Grant in Aid.

4.17 There are a range of specific Acts dictating the terms and conditions for other senior officials. For instance:

- a** The Older People's Commissioner for Wales's annual salary is set by Welsh Ministers in line with the Schedule 1(3) of the Commissioner for Older People (Wales) Act 2006. Annual increases to this salary follow the percentage award made by the Senior Salaries Review Body.
- b** The remuneration of Her Majesty's Chief Inspector of Education and Training in Wales is determined by the National Assembly for Wales under Paragraph 3 of Schedule 2 to the Education Act.
- c** The remuneration of the chief officer (and other officers) for the Arts Council for Wales has to be approved by the National Assembly of Wales, in accordance with the Arts Council of Wales Royal Charter. An annual pay remit is prepared and submitted to the Welsh Government for approval.

4.18 In effect, although bodies may prepare and submit annual pay proposals or remits, approval must be given by the Welsh Government or Ministers.

Auditor General and Wales Audit Office

4.19 The Auditor General's remuneration is determined by the National Assembly for Wales, and in accordance with the Government of Wales Act 2006 is met from the Welsh Consolidated Fund.

4.20 The remuneration of members of the Wales Audit Office's Executive Committee is determined by the Auditor General with advice from a Remuneration Committee of non-executives, established as part of the Wales Audit Office's governance arrangements, and taking into account the results of a JESP job evaluation process.

Part 5 – Current issues relating to public sector senior management pay in Wales

5.1 This part of the memorandum highlights some specific issues relating to public sector senior manager pay in Wales.

Examples of recent Wales Audit Office findings in respect of senior pay across Welsh public services

5.2 The Appointed Auditor for the Caldicot and Wentlooge Levels Internal Drainage Board and Caerphilly County Borough Council has published Reports in the Public Interest which involved issues surrounding senior officer pay.

5.3 In October 2012, the Appointed Auditor issued a Public Interest Report into the Caldicot and Wentlooge Levels Internal Drainage Board. The report included concerns that between 2001 and early 2002, the former Clerk and Engineer was involved in submitting proposals relating to his own pay to committees of the Board which, if accepted, would have resulted in a variation to his contract of employment. Board members failed to recognise that a conflict of interest existed and allowed the former Clerk and Engineer to participate in the decision-making process when disqualified from doing so.

5.4 In March and December 2013, the Appointed Auditor issued reports in the public interest on governance arrangements and decision making processes within Caerphilly County Borough Council. The reports detailed weaknesses in the arrangements in deciding the pay and buy-out allowances for the senior officers including:

- a** the time and place of the meeting and the agenda for the meeting were not made public as required;
- b** the decision was not published, contrary to the Council's constitution; and
- c** a number of independence issues, particularly where chief officers (including the Chief Executive) had conflicts of interest and such interests were not declared.

5.5 The issues arising from the Appointed Auditor's reports are now under investigation by the Avon and Somerset Constabulary after the matter was referred to them by Gwent Police following publication of the *Public Interest Reports*.

5.6 In January 2014, the Appointed Auditor for Carmarthenshire County Council and Pembrokeshire County Council issued reports in the public interest relating to the lawfulness of decisions taken by both councils in relation to senior manager pay and pensions. In both cases, the Councils took decisions which allowed senior managers to opt out of the Local Government Pension Scheme and receive additional remuneration, equivalent to the employers' pension contribution. The chief executives at both these councils exercised that option during 2012-13.

Appendix 1 – Senior manager pay disclosures 2011-12 and 2012-13

The following tables show the senior manager pay disclosures from the 2011-12 and 2012-13 financial statements.

For bodies reporting under the FReM (NHS and central government bodies), the disclosure shows salary in bands of £5,000, where we have used the lowest point in the relevant salary band and shown the salary of the chief executive (or equivalent) officer, and the highest, lowest and median of the directors' or senior managers' pay bands. Expenditure and employee numbers have been shown for comparison purposes.

For bodies reporting under the CIPFA Code (unitary authorities and other bodies), the exact salary of the chief executive and senior managers is reported, where we have also shown the chief executive salary and the highest, lowest and median of the senior managers' salaries. For these bodies, employee numbers are not disclosed in the financial statements; we have therefore used data from either the Office for National Statistics, Statistics Wales reports, or the body's own websites.

As highlighted earlier in the memorandum, we have also made the following assumptions, in order to try to show a full year's comparison:

- a** where a post is filled for part of a year, we have sought to show the 'annualised' figure; and
- b** where two (or more) officers have held the post for different periods of the year, the remuneration has been added together (if the service appears to be continuous and not overlapping).

NHS bodies	2012-13					
	Chief Executive Pay Band	Senior Officer Pay Bands			Healthcare Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Abertawe Bro Morgannwg University Health Board	£200,000	£170,000	£125,000	£95,000	1,296,186	13,310
Aneurin Bevan University Health Board	£185,000	£200,000	£125,000	£90,000	1,071,838	10,715
Betsi Cadwaladr University Health Board	£200,000	£160,000	£122,500	£70,000	1,404,656	13,625
Cardiff and Vale University Health Board	£190,000	£160,000	£125,000	£95,000	1,178,996	12,294
Cwm Taf University Health Board	£170,000	£155,000	£110,000	£100,000	1,199,874	7,092
Hwyl Dda University Health Board	£170,000	£130,000	£110,000	£85,000	757,150	7,547
Public Health Wales NHS Trust	£140,000	£140,000	£87,500	£70,000	98,314	1,181
Powys Teaching Health Board	£135,000	£135,000	£95,000	£65,000	257,090	1,381
Velindre NHS Trust	£130,000	£145,000	£100,000	£80,000	288,168	2,720
Welsh Ambulance Service Trust	£120,000	£135,000	£95,000	£80,000	156,101	2,831

Note
Velindre NHS Trust took over responsibility for the NHS Wales Shared Services Partnership (including the Welsh Risk Pool) in 2012-13.

NHS bodies	2011-12				
	Chief Executive Pay Band	Senior Officer Pay Bands			Healthcare Expenditure £000
		Highest	Median	Lowest	
Abertawe Bro Morgannwg University Health Board	£190,000	£170,000	£125,000	£95,000	1,291,744
Aneurin Bevan University Health Board	£185,000	£200,000	£120,000	£95,000	1,117,162
Betsi Cadwaladr University Health Board	£200,000	£165,000	£125,000	£95,000	1,415,807
Cardiff and Vale University Health Board	£185,000	£210,000	£125,000	£95,000	1,146,928
Cwm Taf University Health Board	£170,000	£155,000	£110,000	£85,000	1,206,531
Hwyl Dda University Health Board	£170,000	£150,000	£110,000	£90,000	759,312
Public Health Wales NHS Trust	£140,000	£140,000	£97,500	£85,000	85,491
Powys Teaching Health Board	£130,000	£135,000	£90,000	£70,000	265,387
Velindre NHS Trust	£130,000	£185,000	£90,000	£80,000	134,360
Welsh Ambulance Service Trust	£120,000	£110,000	£95,000	£75,000	148,890

Unitary authorities	2012-13					
	Chief Executive Pay	Senior Officer Pay			Gross Cost of Services £000	Number of Employees
		Highest	Median	Lowest		
Anglesey County Council (Isle of)	£141,000	£114,000	£98,500	£72,000	193,217	3,322
Blaenau Gwent County Borough Council	£107,347	£85,000	£70,434	£60,635	235,836	3,819
Bridgend County Borough Council	£109,263	£104,068	£103,229	£70,168	388,238	6,774
Caerphilly County Borough Council	£144,598	£125,501	£116,221	£83,362	530,272	8,742
Cardiff County Council	£183,726	£131,235	£83,991	£60,549	1,026,237	15,246
Carmarthenshire County Council	£181,645	£130,251	£118,410	£114,396	554,100	8,918
Ceredigion County Council	£108,226	£96,357	£89,648	£87,695	206,147	3,448
Conwy County Borough Council	£105,851	£94,298	£65,965	£61,452	312,379	6,318
Denbighshire County Council	£125,000	£94,931	£66,020	£58,076	335,461	5,053
Flintshire County Council	£131,233	£97,328	£81,960	£74,063	418,113	8,353
Gwynedd Council	£108,264	£86,040	£67,716	£54,173	346,740	6,561
Merthyr Tydfil County Borough Council	£120,495	£87,600	£65,600	£62,517	188,436	2,942
Monmouthshire County Council	£110,000	£84,068	£69,267	£41,687	234,269	4,043
Neath Port Talbot County Borough Council	£134,253	£113,618	£109,158	£98,790	429,204	7,384

Unitary authorities	2012-13				
	Chief Executive Pay	Senior Officer Pay			Gross Cost of Services £000
		Highest	Median	Lowest	
Anglesey County Council (Isle of)	£110,986	£82,721	£76,842	£63,727	172,222
Blaenau Gwent County Borough Council	£103,050	£85,000	£81,021	£62,793	242,351
Bridgend County Borough Council	£131,091	£104,068	£101,857	£88,458	382,198
Caerphilly County Borough Council	£123,665	£118,480	£105,367	£100,682	589,505
Cardiff County Council	£179,663	£112,168	£83,830	£66,741	1,023,437
Carmarthenshire County Council	£185,365	£130,251	£118,410	£94,938	544,185
Ceredigion County Council	£108,226	£95,339	£87,613	£79,473	203,405
Conwy County Borough Council	£100,140	£93,692	£62,884	£60,021	312,111
Denbighshire County Council	£124,859	£95,845	£64,771	£60,248	331,742
Flintshire County Council	£131,233	£97,328	£78,759	£62,776	436,209
Gwynedd Council	£108,264	£83,121	£65,169	£60,111	331,880
Merthyr Tydfil County Borough Council	£120,213	£86,667	£63,600	£60,514	178,720
Monmouthshire County Council	£110,000	£86,580	£77,000	£68,150	225,395
Neath Port Talbot County Borough Council	£129,725	£115,038	£104,079	£101,216	447,145

Unitary authorities	2012-13					
	Chief Executive Pay	Senior Officer Pay			Gross Cost of Services £000	Number of Employees
		Highest	Median	Lowest		
Newport City Council	£134,636	£103,316	£81,900	£65,536	416,072	7,613
Pembrokeshire County Council	£194,661	£114,135	£114,135	£105,387	352,721	6,273
Powys County Council	£133,000	£103,000	£78,000	£66,000	409,708	8,362
Rhondda Cynon Taf County Borough Council	£142,000	£122,000	£110,000	£92,000	722,565	12,129
Swansea (City and County of)	£140,000	£110,000	£79,256	£57,634	741,988	11,154
Torfaen County Borough Council	£111,279	£93,633	£79,090	£68,357	279,983	6,069
Vale of Glamorgan Council	£133,565	£107,855	£107,855	£85,500	333,318	5,323
Wrexham County Borough Council	£109,000	£96,000	£83,000	£75,000	385,977	6,420

Unitary authorities	2011-12				
	Chief Executive Pay	Senior Officer Pay			Gross Cost of Services £000
		Highest	Median	Lowest	
Newport City Council	£122,770	£109,148	£92,231	£74,557	365,587
Pembrokeshire County Council	£208,170	£114,135	£114,135	£103,757	351,373
Powys County Council	£130,000	£101,000	£78,000	£66,000	397,064
Rhondda Cynon Taf County Borough Council	£142,000	£122,000	£110,000	£92,000	684,771
Swansea (City and County of)	£140,000	£115,528	£77,228	£60,000	736,571
Torfaen County Borough Council	£110,850	£93,633	£83,459	£70,920	293,051
Vale of Glamorgan Council	£146,412	£108,067	£107,855	£107,855	346,346
Wrexham County Borough Council	£105,000	£96,000	£80,845	£72,720	373,962

National park authorities	2012-13					
	Chief Executive Pay	Senior Officer Pay			Gross Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Brecon Beacons	£74,000	£55,000	£54,500	£54,000	6,608	136
Pembrokeshire	£76,000	£0	£0	£0	6,817	170
Snowdonia	£75,000	£60,000	£60,000	£60,000	8,464	161

Fire authorities	2012-13					
	Chief Fire Officer Pay	Senior Officer Pay			Gross Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Mid and West Wales Fire Authority	£131,187	£105,220	£98,728	£86,590	45,243	1,216
North Wales Fire Authority	£116,387	£90,280	£83,990	£73,407	31,678	827
South Wales Fire Authority	£126,000	£95,000	£93,500	£88,000	73,400	1,558

National park authorities	2011-12				
	Chief Executive Pay	Senior Officer Pay			Gross Expenditure £000
		Highest	Median	Lowest	
Brecon Beacons	£72,000	£54,000	£53,500	£53,000	6,469
Pembrokeshire	£74,000	£0	£0	£0	6,769
Snowdonia	£75,000	£60,000	£60,000	£60,000	9,386

Fire authorities	2011-12				
	Chief Executive Pay	Senior Officer Pay			Gross Expenditure £000
		Highest	Median	Lowest	
Mid and West Wales Fire Authority	£129,837	£103,870	£97,378	£85,155	46,251
North Wales Fire Authority	£116,387	£90,280	£83,990	£73,407	31,657
South Wales Fire Authority	£105,000	£90,000	£88,505	£79,000	68,966

Police	2012-13					
	Police and Crime Commissioner	Police and Crime Commissioner - Chief Executive	Chief Constable	Senior Officer Pay		
				Highest	Median	Lowest
Dyfed Powys PCC	£65,000	£95,891		None disclosed		
Dyfed Powys Police			£139,536	£160,122	£140,411	£104,455
Gwent PCC	£70,000	£90,756		£81,293	N/A (only two officers)	£52,500
Gwent Police			£133,068	£109,782	£99,976	£97,686
North Wales PCC	£70,000	£76,660		One senior officer – £55,120		
North Wales Police			£136,751	£112,969	£106,324	£105,849
South Wales PCC	£85,000	£67,337		One senior officer – £65,886		
South Wales Police			£154,370	£128,202	£104,106	£97,887

Note
Salaries relating to police and crime commissioners and their staff have been annualised to show comparable figures.

Police	2012-13	
	Group Gross Expenditure £000	Number of Employees
Dyfed Powys PCC		
Dyfed Powys Police	121,522	1,860
Gwent PCC		
Gwent Police	142,830	2,326
North Wales PCC		
North Wales Police	164,055	2,617
South Wales PCC		
South Wales Police	304,487	4,912

Probation	2012-13					
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Wales Probation Trust	£100,000	£85,000	£80,000	£55,000	54,834	1,004

Central Government	2012-13					
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Bodies funded directly from the Welsh Consolidated Fund						
Auditor General for Wales/ Wales Audit Office	£150,000	£115,000	£110,000	£105,000	19,261	238
National Assembly for Wales Commission	£140,000	£110,000	£85,000	£65,000	47,145	358
Public Services Ombudsman for Wales	£135,000	£95,000	£95,000	£95,000	3,961	53
Welsh Government	£160,000	£200,000	£130,000	£120,000	14,557,162	5,422
Welsh Government Sponsored Bodies and others funded directly from Welsh Government						
Arts Council for Wales	£90,000	£65,000	£50,000	£50,000	52,873	58
Care Council for Wales	£95,000	£70,000	£60,000	£55,000	9,887	81
Children's Commissioner for Wales	£90,000	£60,000	£50,000	£50,000	1,755	25
Countryside Council for Wales	£95,000	£75,000	£67,500	£60,000	46,523	489

Probation	2011-12				
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000
		Highest	Median	Lowest	
Wales Probation Trust	£95,000	£75,000	£65,000	£60,000	53,167

Central Government	2011-12				
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000
		Highest	Median	Lowest	
Auditor General for Wales/ Wales Audit Office	£150,000	£115,000	£110,000	£100,000	23,716
National Assembly for Wales Commission	£135,000	£115,000	£105,000	£95,000	46,222
Public Services Ombudsman for Wales	£135,000	£95,000	£95,000	£95,000	3,640
Welsh Government	£160,000	£195,000	£130,000	£110,000	14,337,397
Arts Council for Wales	£90,000	£65,000	£50,000	£50,000	50,073
Care Council for Wales	£95,000	£70,000	£55,000	£50,000	10,118
Children's Commissioner for Wales	£90,000	£55,000	£50,000	£50,000	1,637
Countryside Council for Wales	£90,000	£65,000	£60,000	£50,000	47,006

Central Government	2012-13					
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000	Number of Employees
		Highest	Median	Lowest		
Welsh Government Sponsored Bodies and others funded directly from the Welsh Government (continued)						
Estyn	£105,000	£75,000	£75,000	£75,000	9,979	113
Forestry Commission Wales	£70,000	£60,000	£55,000	£50,000	52,511	427
General Teaching Council for Wales	£85,000	£65,000	£65,000	£65,000	8,243	26
Higher Education Funding Council for Wales	£105,000	£95,000	£95,000	£95,000	391,914	47
Boundary Commission for Wales	£75,000	£45,000	£45,000	£45,000	648	15
National Library of Wales	£75,000	£60,000	£60,000	£60,000	12,294	285
National Museum Wales	£95,000	£80,000	£70,000	£65,000	29,657	576
Older People's Commissioner	£90,000	£70,000	£50,000	£50,000	2,047	27
Sports Wales	£75,000	£55,000	£55,000	£50,000	44,512	144
Welsh Language Commissioner	£95,000	£55,000	£55,000	£45,000	3,570	53

Central Government	2011-12				
	Chief Executive Pay Band	Senior Officer Pay Bands			Gross Expenditure £000
		Highest	Median	Lowest	
Estyn	£105,000	£75,000	£75,000	£75,000	9,662
Forestry Commission Wales	£70,000	£60,000	£55,000	£50,000	51,781
General Teaching Council for Wales	£80,000	£65,000	£62,500	£60,000	7,986
Higher Education Funding Council for Wales	£110,000	£100,000	£97,500	£95,000	405,067
Boundary Commission for Wales	£50,000	£45,000	£45,000	£45,000	695
National Library of Wales	£75,000	£60,000	£55,000	£55,000	12,149
National Museum Wales	£95,000	£70,000	£70,000	£70,000	28,510
Older People's Commissioner	£90,000	£65,000	£50,000	£50,000	1,896
Sports Wales	£75,000	£65,000	£55,000	£55,000	42,214
Welsh Language Commissioner	£100,000	£50,000	£50,000	£45,000	14,472

Appendix 2 – Chief Executive (or equivalent officer) salary disclosure 2012-13

The following tables show an analysis of the chief executive (or equivalent officer) remuneration disclosed in the 2012-13 financial statements.

For bodies reporting under the FReM (NHS and central government bodies), the disclosure shows salary in bands of £5,000, where we have used the lowest point in the relevant salary band. Any other amounts disclosed by way of other remuneration, expenses of benefits in kind (BIK) that are disclosed in the financial statements are also included. The employers' pension contribution is not disclosed in the financial statements.

For bodies reporting under the CIPFA Code (unitary authorities and other bodies), the exact salary and other elements of remuneration are disclosed, together with the employers' pension contribution, showing the total remuneration paid. As highlighted earlier in the memorandum, chief executives may also be paid a fee for any returning officer duties performed and, where this information has been clearly disclosed, this has also been included.

As highlighted earlier in the memorandum, we have also made the following assumptions, in order to try to show a full year's comparison:

- a** where a post is filled for part of a year, we have sought to show the 'annualised' figure; and
- b** where two (or more) officers have held the post for different periods of the year, the remuneration has been added together (if the service appears to be continuous and not overlapping).

NHS bodies	Gross healthcare expenditure (£000)	Salary band	Other remuneration	Expenses	Benefits in kind
Abertawe Bro Morgannwg University Health Board	1,296,186	£200,000	£0	£0	£13,000
Aneurin Bevan University Health Board	1,071,838	£185,000	£0	£0	£0
Betsi Cadwaladr University Health Board	1,404,656	£200,000	£0	£0	£4,000
Cardiff and Vale University Health Board	1,178,996	£190,000	£0	£0	£3,000
Cwm Taf University Health Board	1,199,874	£170,000	£0	£0	£200
Hwyel Dda University Health Board	757,150	£170,000	£0	£0	£7,800
PHW NHS Trust	98,314	£140,000	£0	£0	£0
Powys Teaching Health Board	257,090	£135,000	£0	£0	£0
Velindre NHS Trust	288,168	£130,000	£0	£0	£200
Welsh Ambulance Service Trust	156,101	£120,000	£0	£0	£0

Unitary authorities	Gross expenditure (£000)	Salary	Other remuneration	Returning officer fees	Expenses	Benefits in kind	Employer's pension contribution
Anglesey County Council (Isle of)	193,217	£141,000	£0	£2,895	£2,000	£0	£31,000
Blaenau Gwent County Borough Council	235,836	£107,347	£0	£0	£164	£884	£23,080
Bridgend County Borough Council	388,238	£109,263	£0	£5,960	£8,869	£4,890	£22,727
Caerphilly County Borough Council	530,272	£144,598	£2,340	£6,089	£854	£0	£30,076
Cardiff County Council	1,026,237	£183,726	£7,938	£24,239	£0	£0	£42,073
Carmarthenshire County Council	554,100	£181,645	£0	£0	£1,271	£0	£0
Ceredigion County Council	206,147	£108,226	£0	£4,050	£0	£0	£16,429
Conwy County Borough Council	312,379	£105,851	£0	Unclear	£2,131	£0	£22,334
Denbighshire County Council	335,461	£125,000	£0	£14,845	£394	£0	£30,798
Flintshire County Council	418,113	£131,233	£0	£23,364	£0	£0	£35,909
Gwynedd County Council	346,740	£108,264	£0	£0	£0	£0	£23,710

Unitary authorities	Gross expenditure (£000)	Salary	Other remuneration	Returning officer fees	Expenses	Benefits in kind	Employer's pension contribution
Merthyr Tydfil County Borough Council	188,436	£120,495	£0	£10,012	£298	£627	£16,097
Monmouthshire County Council	234,269	£110,000	£0	£3,722	£0	£0	£23,210
Neath Port Talbot County Borough Council	429,204	£134,253	£0	£7,073	£90	£0	£19,467
Newport City Council	416,072	£134,636	£0	Unclear	£225	£0	£25,848
Pembrokeshire County Council	352,721	£194,661	£0	£0	£0	£11,685	£0
Powys County Council	409,708	£133,000	£0	Unclear	£0	£0	£31,000
Rhondda Cynon Taf County Borough Council	722,565	£142,000	£0	£20,000	£0	£0	Not reported
Swansea (City and County of)	741,988	£140,000	£0	Unclear	£0	£0	£30,940
Torfaen County Borough Council	279,983	£111,279	-£7,000	£8,123	£0	£0	£25,149
Vale of Glamorgan Council	333,318	£133,565	£0	£5,611	£0	£0	£18,222
Wrexham County Borough Council	385,977	£109,000	£0	£13,148	£68	£0	£26,443

National park authorities	Gross expenditure (£000)	Salary	Other remuneration	Expenses	Benefits in kind	Employer's pension contributions
Brecon Beacons	6,608	£74,000	£0	£0	£0	£14,000
Pembrokeshire	6,817	£76,000	£0	£0	£1,000	£10,000
Snowdonia	8,464	£75,000	£0	£0	£4,000	£16,000

Fire authorities	Gross expenditure (£000)	Salary	Other remuneration	Expenses	Benefits in kind	Employer's pension contributions
Mid and West Wales Fire Authority	45,243	£131,187	£3,895	£177	£1,873	£0
North Wales Fire Authority	31,678	£116,387	£0	£106	£4,378	£0
South Wales Fire Authority	73,400	£126,000	£0	£2,000	£6,000	£21,000

Police	Group gross expenditure (£000)	Salary	Other remuneration	Expenses	Benefits in kind	Employer's pension contributions
Dyfed Powys PCC		£65,000	£0	£0	£0	£8,514
Dyfed Powys PCC Chief Executive		£95,891	£0	£0	£815	£11,885
Dyfed Police Chief Constable	121,522	£139,536	£0	£0	£529	£30,474
Gwent PCC		£70,000	£0	£702	£0	£11,059
Gwent PCC Chief Executive		£90,756	£0	£1,626	£0	£14,339
Gwent Chief Constable	142,830	£133,068	£6,653	£0	£5,376	£32,202
North Wales PCC		£70,000	£0	£0	£0	£13,230
North Wales PCC Chief Executive		£73,660	£0	£0	£0	£13,045
North Wales Chief Constable	164,055	£136,751	£0	£0	£4,670	£32,202
South Wales PCC		£85,000	£0	£0	£0	£5,760
South Wales PCC Chief of Staff		£67,337	£0	£0	£0	£7,400
South Wales Chief Constable	304,487	£154,370	£4,082	£0	£1,457	£35,883

Note

Salaries, particularly relating to police and crime commissioners and their staff, have been annualised to show comparable figures.

Probation	Gross expenditure (£000)	Salary band	Other remuneration	Expenses	Benefits in kind
Wales Probation Trust	54,834	£100,000	£0	£0	£0

Central government	Gross expenditure (£000)	Salary band	Other remuneration	Expenses	Benefits in kind
Bodies funded directly from the Welsh Consolidated Fund					
Auditor General for Wales	19,261	£150,000	£0	£0	£0
National Assembly for Wales Commission	47,145	£140,000	£0	£0	£0
Public Services Ombudsman for Wales	3,961	£135,000	£0	£0	£0
Welsh Government	14,557,162	£160,000	£0	£0	£0
Welsh Government Sponsored Bodies and others funded directly from Welsh Government					
Arts Council for Wales	52,873	£90,000	£0	£0	£0
Care Council for Wales	9,887	£95,000	£0	£0	£0
Children's Commissioner for Wales	1,755	£90,000	£0	£0	£4,700
Countryside Council for Wales	46,523	£95,000	£50,000	£0	£2,500
Estyn	9,979	£105,000	£5,000	£0	£0

Central government	Gross expenditure (£000)	Salary band	Other remuneration	Expenses	Benefits in kind
Welsh Government Sponsored Bodies and others funded directly from Welsh Government (continued)					
Forestry Commission Wales	52,511	£70,000	£10,000	£0	£0
General Teaching Council for Wales	8,243	£85,000	£0	£0	£0
Higher Education Funding Council for Wales	391,914	£105,000	£0	£0	£0
Boundary Commission for Wales	648	£75,000	£0	£0	£0
National Library of Wales	12,294	£75,000	£20,000	£0	£0
National Museum Wales	29,657	£95,000	£0	£0	£0
Older People's Commissioner for Wales	2,047	£90,000	£0	£0	£0
Sports Wales	44,512	£75,000	£0	£0	£0
Welsh Language Commissioner	3,570	£95,000	£0	£0	£0

Note
As referred to earlier, some salaries have been annualised to show comparable figures.

Appendix 3 – Chief executive salary in other United Kingdom public sector bodies

The figure below shows gross expenditure and chief executive salary for a sample of public sector bodies in the United Kingdom.

Other public sector bodies	Gross expenditure 2012-13 £000s	Chief executive salary or pay band
NHS bodies		
NHS Greater Glasgow and Clyde	2,373,453	£185,000
NHS Lothian	1,384,458	£185,000
NHS Tayside	740,733	£155,000
NHS Dumfries and Galloway	299,895	£95,000
London Ambulance Service	299,021	£180,000
Scottish Ambulance Service	207,945	£140,000
Unitary authorities		
Durham County Council	1,313,639	£200,000
Cornwall Council	1,285,683	£200,342
Plymouth City Council	605,572	£179,816
Bedford Borough Council	408,557	£169,450
Herefordshire Council	362,961	£144,996
Central government		
Arts Council England	792,827	£187,000
Ofsted	171,089	£195,000
Sport England	98,749	£145,000