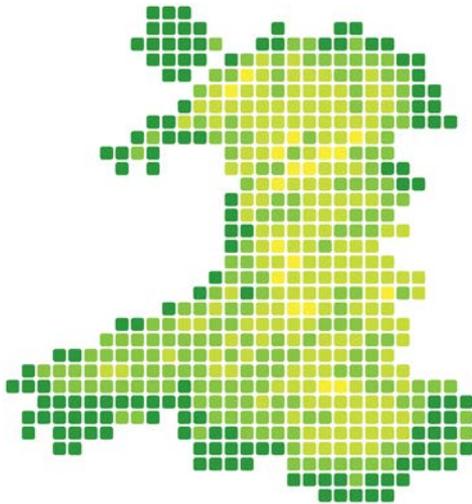


THE LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES



Comisiwn Ffiniau a  
Democratiaeth Leol  
Cymru



Local Democracy and  
Boundary Commission  
For Wales

**ANNUAL**  
***PAY POLICY STATEMENT***  
**2017-18**

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## **FOREWORD**

This is the Local Democracy and Boundary Commission for Wales annual Pay Policy Statement for the period 1 April 2017 to 31 March 2018. It was approved by the Commission on 26/06/18.

This Pay Policy Statement provides the framework for decision-making on pay and, in particular, decision-making on senior pay.

As a Welsh Government Sponsored Body, the Commission recognises the importance of transparency and accountability, particularly in demonstrating value for public money. It is important that the Commission's approach to pay is transparent and accessible to all, and enables taxpayers to adopt an informed view of whether decisions on all aspects of remuneration are fair and make best use of public funds.

The Commission also recognises that there is value in ensuring decisions relating to senior pay are taken in the context of similar decisions on lower paid staff at the organisation, and that the relationship between those decisions is considered. This Pay Policy Statement is, therefore, intended to enable a clearer debate about whether pay levels across the Commission are fair,

This Statement complements other information published on our website, which is linked below:

<http://ldbc.gov.wales/publications/corporate/?lang=en>

If you cannot find the information you are looking for on the Commission's website, please contact the Commission.

**Owen Watkin OBE DL**  
**Chair**

# **1. INTRODUCTION**

## **The Commission**

- 1.1 The Local Democracy and Boundary Commission for Wales (the Commission) is a Welsh Government Sponsored Body (WGSB). The Commission was established in 1974 under the terms of the Local Government Act 1972 as the Local Government Boundary Commission for Wales and renamed under the terms of Section 2 of the Local Government (Democracy) (Wales) Act 2013 (the 2013 Act). The provisions of 2013 Act in respect of the Commission replace those of the 1972 Act.
- 1.2 The main duty of the Commission is to monitor the areas and electoral arrangements relevant to local government in Wales for the purpose of considering whether it is appropriate to make or recommend changes. To carry out that duty the Commission conducts such reviews as are required. In conducting reviews the Commission must seek to ensure effective and convenient local government.

## **The Secretariat**

- 1.3 The Commission's Secretariat is located at Hastings House, Fitzalan Court, Cardiff. The Secretariat consists of the posts of Chief Executive, Deputy Chief Executive, Finance Manager, Business Support Manager, Review Officers and Support Officers.
- 1.4 The Chief Executive is also the Commission's designated Accounting Officer.
- 1.5 From 1 January 2002 the Commission's Secretariat has also undertaken the responsibility of providing a Secretariat to the Boundary Commission for Wales (BCW) for its Reviews of the Parliamentary constituencies in Wales. The sponsor department of the BCW is the Cabinet Office.

## **2. OBJECTIVES OF THE COMMISSION**

2.1 The Commission is a statutory body that is sponsored by the Local Government Democracy Division of the Welsh Government (WG). As a WGSB the Commission receives an annual remit letter that sets out the Cabinet Secretary for Finance and Local Government's priorities for the Commission for the coming year. The Commission must also follow the statutory functions and responsibilities as set out in legislation. The Commission's main statutory function is to make recommendations to Welsh Ministers for effecting changes to local government boundaries and local government electoral arrangements that seek to ensure effective and convenient local government.

2.2 The Commission's Corporate Plan 2014-2023, agreed in December 2014, sets out the corporate objectives as follows:

- Ensuring principal area electoral arrangements are fit for purpose – developing a programme of electoral reviews in line with WG policy objectives.
- Ensuring community boundaries and electoral arrangements are fit for purpose - work with principal councils to ensure Community boundaries and electoral arrangements are regularly reviewed and coordinated with the programme of electoral reviews.
- Ensuring the boundaries of principal council areas are fit for purpose – as appropriate review principal area boundaries.
- Developing the effectiveness and efficiency of our business – maintain a high level of Corporate Governance, constantly engage with stakeholders to create a reputation for excellence in all that we do and ensure that the skills of the staff are developed and maintained.
- Ensuring that the WG's principles in respect of sustainable development, equality and diversity and the Welsh language are embedded in our work.

### **3. PURPOSE OF THE PAY POLICY STATEMENT**

- 3.1 On 7 December 2015 the Welsh Government (WG) published *Transparency of Senior Remuneration in the Devolved Welsh Public Sector*, in which it was recommended that “all devolved Welsh public sector bodies publish an annual Pay Policy Statement in an easily accessible and prominent place on its website”. The document should “articulate the public body’s own policies towards a range of issues relating to the pay and remuneration of its workforce, in particular pay and remuneration of its senior posts and its lowest paid employees”. The recommendation is that a standardised model be used by all devolved Welsh public sector services to report on pay in order to provide increased accessibility to organisational decision-making, which should generate increased scrutiny of public spending and a more efficient use of public money.
- 3.2 During December 2016, the Public Services Staff Commission (PSSC) published *Transparency of Senior Pay in the Devolved Welsh Public Sector – Observations and Proposed Way Forward*. Within that document is an example Pay Policy Statement. This Commission’s Pay Policy Statement will follow the example provided by PSSC as appropriate.
- 3.3 This Pay Policy Statement is to illustrate that reward for direct employees at the Commission is commensurate with responsibility and role. It will confirm that different groups of employees receive different remuneration and why the difference exists.
- 3.4 In addition to this document, the Commission publishes an Annual Report, containing Financial Statements and a Remuneration Report which provides further detail; however a copy of the organisation’s full accounts may be obtained by contacting the Finance Manager, Hastings House, Fitzalan Court, Cardiff, CF24 0BL (email [ldbc.wales@gov.wales](mailto:ldbc.wales@gov.wales)).
- 3.5 The Commission is committed to achieving value for money when purchasing goods and services. A contract exists with Internal Auditors, Deloitte LLP, and the Auditor General for Wales undertakes external audits.

## 4. DEFINITIONS AND DECISION-MAKING

- 4.1 Staff grading and Terms and Conditions at the Commission are analogous to those of Welsh Government. As such, the following statements from the Welsh Government Pay Policy Statement apply:

“The [Welsh Government] Permanent Secretary is responsible for recommending to Ministers appropriate pay arrangements for delegated staff. Delegated staff are employees at Support, Management and Executive band grades. Underpinning this, the [Welsh Government] HR Director is responsible for ensuring Trade Unions are fully engaged in pay negotiations, in the spirit of social partnership, and through a Collective Bargaining Agreement.

Senior management roles are covered by Senior Civil Service (SCS) employees at Deputy Director, Director, Director General and Permanent Secretary levels. SCS pay is not delegated, which means the Welsh Government implements SCS pay awards in accordance with the guidance produced by the UK Government, following recommendations from the Senior Salaries Review Body.”

The Welsh Government Pay Policy Statement can be found at:

<http://gov.wales/about/civilservice/how-we-work/facts-figures/ourfinance/PayPolicyStatement/?lang=en>

### **Definition of “senior posts”**

- 4.2 For the purposes of this Pay Policy Statement, the LDBCW defines the Commission’s “senior posts” as those posts at Management Band 1 or above. One member of staff is employed at Management Band 1 and one member of staff is employed at Executive Band 2.

### **Definition of “lowest-paid employees”**

- 4.3 For the purposes of this Pay Policy Statement, the LDBCW defines the Commission’s “lowest paid employees” as directly employed or inwardly seconded staff members who earn the lowest full time equivalent salary. This definition excludes agency/off-payroll staff.

### **Definition of “off-payroll staff”**

- 4.4 “Off-payroll staff” are those persons employed by the Commission whose details are not entered on the Commission’s payroll system and therefore are not included in calculations for PAYE or National Insurance contributions. In the case of the Commission this typically means staff employed through an agency on a temporary contact for a short period of time. During 2017-18 three LDBCW staff members were employed off-payroll; all were paid less than the threshold of £220 per day. These staff members were agency staff and were employed on a temporary contract. The decision to employ off-payroll staff is taken following discussion between Commissioners and those in Secretariat “senior posts”.

## **5. LEGISLATIVE FRAMEWORK**

- 5.1 As stated above, the Commission's staff grading and Terms & Conditions are analogous to those of Welsh Government staff.
- 5.2 The Welsh Government has the power to appoint staff under section 52 of the Government of Wales Act 2006; and complies with all relevant employment legislation in determining the pay and remuneration of its staff. The Permanent Secretary has delegated responsibility from the First Minister under the Civil Service (Management Functions) Act 1992 for personnel functions, including pay matters.
- 5.3 A framework has been agreed between the LDBCW and its Welsh Government Sponsor Division (Local Government Democracy Division). This sets out the framework within which the Commission operates and details the terms and conditions under which the Welsh Ministers provide grant-in-aid to the Commission; the Commission has the power to appoint staff under the framework. It is the provision of grant-in-aid that enables the Commission to attain its corporate objectives.

## 6. CHIEF EXECUTIVE

### Role of the Chief Executive

- 6.1 The Chief Executive is the senior officer who leads and takes responsibility for the organisation. The Commission's grant-in-aid for 2017-18 was £716,628 for the financial year.
- 6.2 The role of the Chief Executive is a full-time, permanent appointment. Post holders are selected on merit, against objective criteria, following public advertisement by the Welsh Government. They are appointed by the Commission's Sponsor Division.
- 6.3 As head of the Commission, the Chief Executive works closely with Commissioners to deliver the objective cited at 2 above. The Chief Executive has responsibility, under the Commissioners, for the overall organisation, management, and staffing of the Commission and for its procedures in financial and other matters, including conduct and discipline
- 6.4 The Chief Executive is the Accounting Officer for the organisation and, as such, has the responsibility of ensuring that a high standard of financial management is maintained at the organisation
- 6.5 The Chief Executive and the Deputy Chief Executive have the responsibility of authorising expenditure at the Commission

### Chief Executive / Senior Management Remuneration Exceeding £100,000

- 6.6 No members of staff at the Commission receive a remuneration package of more than £100,000. The Chief Executive holds the highest paid post at the Commission (at WG Executive Band 2), for which remuneration is in the range of £48,650 to £58,185.

### Expenses

- 6.7 Expenses such as train, car mileage, overnight accommodation and parking are claimed back in accordance with the organisation's travel and subsistence policy, which provides the following:

*"Travel and subsistence payments reimburse you for the necessary, additional costs that you incur as a result of official business away from your normal place of work (i.e. the office at which you are permanently based). You are required to use your judgement to determine whether a cost is necessary and additional to that which you would normally incur at your permanent base. Such payments are not intended to compensate you for the inconvenience of being away from your home or normal place of work.*

*You are not entitled to claim the reimbursement of expenses that could have been avoided by better planning or were otherwise unnecessary to the official purposes of the visit.*

*The reimbursement of travel and subsistence costs is based on actual costs and they are not pensionable"*

## **7. AFFORDABILITY & VALUE FOR MONEY**

### **Remuneration of senior posts and lowest-paid employees**

- 7.1 As the Commission's pay bands are analogous to those of WG, staff holding senior posts and lowest-paid employees are paid equivalent to staff at the same bands working within Welsh Government.

### **Evidence of affordability and value for money**

- 7.2 The Commission conducts the following in order to evidence affordability and value for money:

- Regular monitoring and reporting in the form of monthly Budget Reports;
- Publication of an Annual Remuneration Report;
- A Job Evaluation Exercise was conducted during 2014, which confirmed that each post is graded appropriately, and that each post is scored at the higher end of the respective bands.

- 7.3 There is a need to strike a balance between value for money for the taxpayer and offering sufficient remuneration to ensure the supply and retention of appropriately skilled staff. The majority of staff members are qualified to utilise specialist mapping software, many are required to comprehend and respond to relevant legislation, some members of staff are required to possess finance experience, many of the staff members have the ability to perform multiple roles, staff members are required to have the ability to collaborate and build good relationships with stakeholders, some staff members are Welsh speakers and use related skills on a daily basis.

### **Performance-related pay**

- 7.4 The Commission's policies are, largely, analogous to those of the WG. In line with WG policy, therefore, the Commission does not have a system of performance-related pay.

### **Allowances**

- 7.5 The Commission pays a Recruitment and Retention Allowance to all staff involved in their electoral review programme work. This was agreed by the Commission and by the Welsh Government in March 2017. The allowance was considered necessary in order to retain staff who had previously received a significant amount of training and accumulated the necessary knowledge and skills to undertake the Commission's programme of electoral reviews of Welsh Principal authorities.

## **8. TALENT MANAGEMENT**

8.1 The Commission has a number of arrangements in place intended to nurture internal talent. These include:

- A shadowing and buddying system for staff members;
- The Commission retains the Investors in People Award;
- The Commission encourages and aids the development of career paths that span different area of public services. The organisation finances and supports staff members with training courses in, for example, Facilities Management and Welsh language skills;
- Staff members at all stages are given assistance in their development. The Commission has a training budget and staff members are encouraged to extend their experience and knowledge by taking part in various projects;
- The organisation intends to participate in the Small Workforce Health Awards during 2018-19.

## **9. SUPPORT FOR LOWER PAID STAFF**

9.1 The Commission endeavours to strike a balance between achieving value for money for the taxpayer and offering support for lower paid staff. This is realised in the following ways:

- Interest-free staff loans are available for the purchase of season travel tickets;
- Free eye tests are offered to staff members;
- It is possible for staff members to apply for loans to serve as an advance of salary, for example, at Christmas-time;
- A Welsh Procurement Card is used to pay in advance for hotels and trains, meaning that staff travelling on business have fewer expenses to pay up-front;
- When travelling with senior officers, staff members' subsistence is paid for by card, meaning staff incur very few expenses;
- When travel for business is required for an extended period, lunches and evening meals are paid for in advance;
- Staff can apply to vary working hours (including working from home), where business allows, which may result in reduced travel to work expenses; and,
- All staff members work flexible working hours.

## **10. HIGHEST AND LOWEST PAY POINTS**

- 10.1 The Commission's pay points are analogous to WG pay points for relevant bands. Welsh Government pay bands are at Appendix 1.
- 10.2 The lowest paid employee is on the Team Support Band. The pay band minimum is £17,200 per annum and rises to £22,500 per annum. This excludes: apprentices who are engaged on different arrangements with training being the main feature of the arrangements; and, agency staff.
- 10.3 The highest paid employee is the Chief Executive. The pay band minimum is £48,650, rising to £58,185; the current post holder earns £58,185.
- 10.4 The ratio of the highest paid employee to the lowest paid employee is 2.5:1.
- 10.5 The median salary in the organisation during the year was at Management Band 3, and was £28,770.

### **Staff Composition by Gender and Pay Bands**

- 10.6 Staff composition by gender and pay bands at the Commission is at Appendix 2.

## **11. SEVERANCE POLICY**

- 11.1 The Commission's pay bands and terms and conditions are analogous with those of WG. The subject of compulsory redundancy is recognised by WG as being a matter for the closest co-operation between Management and the Trades Unions, therefore any severance policy produced by the Commission would be analogous with that of the WG's Redundancy Policy.
- 11.2 It is the policy of the Commission, by careful forward planning, to ensure as far as possible security of employment for its staff and to use best endeavours to avoid recourse to compulsory redundancies for those who wish to continue their Civil Service careers.
- 11.3 The Commission does not have a Severance Policy. Were the situation to arise where a voluntary exit or compulsory redundancy would be required, a full guide for staff on all aspects of any scheme would be produced and published.
- 11.4 The Commission has not had occasion to introduce a Severance / Redundancy Policy during the 2017/18 period.

**Welsh Government Pay Bands**  
**Delegated Staff- Team Support, Management and Executive**

<b>Pay Band</b>	<b>Pay Points</b>	<b>Salary</b>
<b>Executive Band</b>	<b>Executive Band 1</b>	
	4	£71,475
	3	£66,650
	2	£63,350
	1	£61,090
	<b>Executive Band 2</b>	
	4	£58,185
	3	£54,150
	2	£51,400
	1	£48,650
<b>Management Band</b>	<b>Management Band 1</b>	
	4	£44,950
	3	£41,850
	2	£39,750
	1	£37,600
	<b>Management Band 2</b>	
	4	£35,750
	3	£32,900
	2	£31,000
	1	£29,100
	<b>Management Band 3</b>	
	3	£27,400
	2	£24,900
1	£23,625	
<b>Team Support</b>	<b>Team Support Band</b>	
	3	£22,500
	2	£19,350
	1	£17,200

**LDBCW  
Staff Composition by Pay Band and Gender**

Pay Band	Male				Female			
	FTE/ FYE	%	Headcount	%	FTE/ FYE	%	Headcount	%
Executive Band 2	1	100	1	100	0	0	0	0
Management Band 1	1	100	1	100	0	0	0	0
Management Band 2	1	100	2	67	0	0	1	33
Management Band 3	5	71	5	71	2	29	2	29
Team Support	1	33	2	40	2	67	3	60
<b>Total</b>	<b>9</b>	<b>69</b>	<b>11</b>	<b>65</b>	<b>4</b>	<b>31</b>	<b>6</b>	<b>35</b>
Prior year total	8	73	10	71	3	27	4	29
Variance	+1	-4	+1	-6	+1	+4	+2	+6