

Remuneration and Staff Report

Annex C

REMUNERATION AND STAFF REPORT

This report provides information in relation to Executive Directors' and Independent Members' remuneration, and outlines the arrangements which operate within the Health Board to determine this. It also includes information on staff numbers, composition, sickness absence data, staff policies applied during the year, expenditure on consultancy, off-payroll engagements and exit packages.

1. The Remuneration and Terms of Services Committee

This Committee considers the remuneration and performance of Executive Directors in accordance with the policy detailed below.

The norm is for Executive Directors and very senior managers' salaries (those outside of Agenda for Change) to be uplifted in accordance with the Welsh Government identified normal pay inflation percentage. For 2022/23 there was a pay uplift of £1,400 and a 1.5% non-consolidated pay award for Executive Directors and very senior managers in line with the pay award agreed nationally for NHS staff.

If there were to be an up-lift over and above this level, this would always be agreed as a result of changes in roles and responsibilities and with advice from an independent consultancy with specialist knowledge of job evaluation and executive pay within the NHS. The Remuneration and Terms of Services Committee would receive a detailed report in respect of issues to be considered in relation to any uplift to Executive Directors salaries (including advice from the Welsh Government) and having considered all the advice and issues put before them, would report their recommendations to the Health Board for ratification.

The Committee also reviews objectives set for Executive Directors and assesses performance against those objectives when considering recommendations in respect of annual pay uplifts. It should be noted that Executive Directors are not on any form of performance related pay.

The Remuneration and Terms of Services Committee is chaired by the Health Board's Chair, and the membership includes three other Independent Members (Chairs of Board Committees). The Committee meets as often as required to address business and formally reports in writing its recommendations to the Health Board. Meetings are minuted and decisions fully recorded.

The Committee also recommends to the Board annual pay uplifts in respect of Executive Directors and very senior managers in the Health Board who are not within the remit of Agenda for Change. For 2022/23, the only uplifts recommended were an increase of £1,400 and 1.5% non-consolidated.

2. Independent Members' Remuneration

Remuneration for Independent Members is decided by the Welsh Government, who also determine tenure of appointment.

3. Single Remuneration Report

The Single Total Remuneration for each Director and Independent Member for 2022/23 and 2021/22 are shown in the table below. Total remuneration includes salary (Nb the 2021/22 figure excludes the NHS COVID bonus of £735 gross paid in May 2021), non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The salaries disclosed in the table below reflect new appointments and leavers during the financial years 2022/23 and 2021/22. Whilst the salaries disclosed relate to the period in post during the year, the NHS Pensions Agency is unable to attribute part year pension benefits to post holders and therefore, the full financial year Pension Benefits are shown.

The value of pension benefits is calculated as follows: (real increase in pension¹ multiplied by 20) plus real increase in lump sum, less contributions made by the individual.

The pension calculation is based on information received from NHS BSA Pensions Agency included in the Disclosure of Senior Managers' Remuneration (Greenbury) 2022 report. Further details on the Single Total Remuneration and Salary allowances figure from Cabinet Office can be found at the Employer Pension Notices website: disclosure of salary pension and compensation information.

¹ excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

Names	Titles	2022/23					2021/22				
		Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)	Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)
		£000	£000	£	£000	£000	£000	£000	£	£000	£000
E Woollett	Chair	70-75	0	0	0	70-75	70-75	0	0	0	70-75
S Spill	Vice Chair	55-60	0	0	0	55-60	55-60	0	0	0	55-60
M Hackett	Chief Executive	225-230	0	0		225-230	220-225	0	0		220-225
R Evans	Medical Director and Deputy Chief Executive	195-200	0	0	55	250-255	190-195	0	0	85	275-280
D Griffiths	Director of Finance and Performance from 9 th August 2021. Interim Director of Finance from 2 nd March 2020 to 8 th August 2021.	150-155	0	3	46	195-200	145-150	0	0	86	235-240
G Howells	Interim Director of Nursing & Patient Experience from 20 th September 2021.	130-135	0	0	0	130-135	70-75	0	0		70-75
C Williams	Interim Director of Nursing & Patient Experience until 30 th September 2021.						65-70	0	0		65-70

Names	Titles	2022/23					2021/22				
		Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)	Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)
		£000	£000	£	£000	£000	£000	£000	£	£000	£000
C Morrell	Director of Therapies and Health Science	90-95	0	0		90-95	85-90	0	0		85-90
D Eytayo	Director of Workforce & OD from 9 th August 2021	145-150	0	0	627	770-775	90-95	0	0	*0	90-95
K Jones	Interim Director of Workforce & OD until 31 st July 2021.						40-45	0	0	*0	40-45
K Reid	Director of Public Health	130-135	0	0	32	160-165	125-130	0	0	30	155-160
S. Harrop-Griffiths	Director of Strategy	105-110	0	0	11	120-125	135-140	0	36	58	195-200
P Wenger	Director of Corporate Governance/Board Secretary until 28 th November 2021						80-85	0	0	*0	80-85
H Lloyd	Director of Corporate Governance/Board Secretary from 11 th October 2022. Interim Director of Corporate	95-100	0	0	120	215-220	35-40	0	0	29	60-65

Names	Titles	2022/23					2021/22				
		Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)	Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)
		£000	£000	£	£000	£000	£000	£000	£	£000	£000
	Governance/Board Secretary from 15 th November 2021 until 11 th October 2022.										
M Berry	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
M Sollis	Independent Member until 7 th June 2021						0-5	0	0	0	0-5
M Waygood	Independent Member until 31 st December 2021						10-15	0	0	0	10-15
P Price	Independent Member from 16 th October 2021	15-20	0	0	0	15-20	5-10	0	0	0	5-10
T Crick	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
M Child	Independent Member until 4 th May 2022	0-5	0	0	0	0-5	15-20	0	0	0	15-20
R Owen	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
N Zolle	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
N Matthews	Independent Member from 25 th January 2023	0-5	0	0	0	0-5					

Names	Titles	2022/23					2021/22				
		Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)	Salary (£5k Bands)	Other Remun. (£5k Bands)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£5k Bands)
		£000	£000	£	£000	£000	£000	£000	£	£000	£000
K Lloyd	Independent Member	0	0	0	0	0	0	0	0	0	
J Davies	Independent Member	0	0	0	0	0	0	0	0	0	
A Jarrett	Associate Board Member	0	0	0	0	0	0	0	0	0	
A Stokes	Associate Board Member to 30 th November 2021						0	0	0	0	
J Vincent	Associate Board Member	0	0	0	0	0	0	0	0	0	
A Griffiths	Associate Board Member	0	0	0	0	0	0	0	0	0	

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff during 2021-22 has not been included in the NHS Remuneration Report calculations in the table above. This bonus payment was not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

* This indicates that the pension benefits have been set to zero as the pension benefit calculation results in a negative figure. Where the calculation produces a negative figure the Greenbury Disclosure of Senior Managers Remuneration states that zero value should be disclosed. The reasons for the negative pension calculations for the 2021/22 financial year are as follows:

*D Eytayo – opted out of and then rejoined the NHS Pension Scheme during 2021/22 financial year. As a result the pension entitlement as at age 60 in 2021/22 was lower than reported in 2020/21. This is reversed in 2022/23, resulting in a higher pension entitlement. The CETV as at 31st March 2023 is now broadly in line with the CETV as at 31st March 2021.

*K Jones – no longer contributes to the NHS Pension Scheme following her departure in July 2021. As a result the pension entitlements as at age 60 are lower than those reported in 2020/21 which are based on continuous contributions to aged 60.

P Wenger – took the pension benefits available under the 1995 element of the NHS pension Scheme on departure from the health board in November 2021.

The following notes provide explanations for either no salary or changes in salary or post between the financial the years:

- G Howells was appointed as Interim Director of Nursing and Patient Experience in September 2021 on secondment from Welsh Government.
- D Eytayo was appointed as Director of Workforce and OD with effect from 9th August 2021.
- S Harrop-Griffiths reduce their contracted hours from full time (37.5 hours per week) to 30 hours per week with effect from 1st April 2022.
- H Lloyd was appointed as Interim Director of Corporate Governance (Board Secretary) with effect from 15th November 2021 to 11th October 2022 and then appointed to the role permanently on 11th October 2022.
- K Lloyd has declined remuneration for his post as an Independent Member.
- J Davies is a full time employee of the Health Board and as such, has not received the remuneration that is normally paid to an Independent Member.
- A Jarrett, J Vincent and A Griffiths as Associate Board Members receive no remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The highest paid director in the LHB in 2022/23 as in 2021/22 was the Chief Executive and the tables below provide details on the relationship between the remuneration of the Chief Executive and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce

	2022/23			2021/22		
	Chief Executive Salary (£5k bands)	Employee Salary £000	Ratio	Chief Executive Salary (£5k bands)	Employee Salary £000	Ratio
25th percentile pay ratio	225-230	25	9.12:1	220-225	21	10.62:1
Median pay	225-230	31	7.35:1	220-225	28	7.96:1
75th percentile pay ratio	225-230	44	5.18:1	220-225	39	5.72:1

The reduction in the ratio of the Chief Executive salary to the 25th percentile, median and 75% percentile is due to the impact of the 2022/23 NHS pay award which gave higher percentage increases to staff at lower pay bands.

In 2022/23, 9 (2021/22, 1) employees received remuneration in excess of the highest-paid director. The remuneration for those employees in 2022-23 and 2021-22 included payments in respect of waiting list initiatives undertaken in addition to their normal salary. Remuneration for staff ranged from £20,758 to £294,062 (2021/22 £18,546 to £240,823).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Benefits in kind relate to benefits derived from the provision of a leased or salary sacrifice car.

The employees who received remuneration in excess of the highest paid director in 2022/23 and 2021-22 were all medical staff. None of these staff members were related to the Chair, Executive Directors or Independent Members.

The following table shows the percentage change in the remuneration of the highest paid director and the percentage change in the remuneration of the employees of the entity taken as a whole.

	2021/22 - 2022/23 (%)	2020/21- 2021/22 (%)
Percentage Change from previous year in respect of the Chief Executive		
Salary and Allowances	2.14	2.73
Performance Pay and Bonuses	0.00	0.00
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and Allowances	18.52	(12.13)
Performance Pay and Bonuses	0.00	0.00

The increase in the average salary and allowances of employees taken as a whole is due to the structure of the 2022/23 NHS pay award which gave higher percentage increases to staff at lower pay bands.

4. Directors Pension Benefits

The NHS scheme requires that employees pay from 5% up to 14.5%, on a tiered scale, of their earnings, into the NHS Pension Scheme, with the employer contributing 20.68%. The employer's contribution to the NHS Pension Scheme is excluded from the salary figures shown for Executive Directors.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period

The disclosures in the table below do not apply to independent members as they are not members of the NHS Pension Scheme and do not receive pensionable remuneration.

Name and Title	Accrued pension at pension age as at 31 March 2023 and related lump sum	Real Increase/ (Decrease) in pension and related lump sum at pension age	CETV at 31/03/2023	CETV at 31/03/2022	Real increase in CETV
	(bands of £5,00) £'000	(bands of £2,500) £'000	£'000	£'000	£'000
D Griffiths Director of Finance and Performance from 9th August 2021. Interim Director of Finance from 2nd March 2020 to 8th August 2021.	55-60 plus lump sum of 130-135	2.5-5 plus lump sum of (5-7.5)	1,053	969	54
K Reid Director of Public Health	25-30 plus lump sum of 50-55	2.5-5 plus lump sum of (0-2.5)	527	466	47
S Harrop-Griffiths Director of Strategy	60-65 plus lump sum of 125-130	0-2.5 plus lump sum of (2.5-5)	1,256	1,179	40
R Evans Medical Director and Deputy Chief Executive	75-80 plus lump sum of 145-150	2.5-5 plus lump sum of 0-2.5	1,460	1,330	89
D Eytayo Director of Workforce & OD from 9th August 2021	55-60 plus lump sum of 115-120	27.5-30 plus lump sum of 75-77.5	1,119	478	625
H Lloyd Director of Corporate Governance/Board Secretary from 11 th October 2022. Interim Director of Corporate Governance/Board Secretary from 15th November 2021 to 11 th October 2022.	30-35 plus lump sum of 65-70	5-7.5 plus lump sum of 10-12.5	596	463	119

- M Hackett, Chief Executive. Gareth Howells, Interim Director of Nursing & Patient Experience and C Morrell, Director of Therapies and Health Science chose not to be covered by the NHS Pension Arrangements during 2022-23. Gareth Howells was auto-enrolled on 1st April 2022 and subsequently opted out of the to the Civil Service Pension Scheme on 1st December 2022.
- The increase in the CETV for D Eytayo in 2022/23 reverses the reduction in CETV in 2021/22 following recalculation of the pension benefits for 2021/22 undertaken in March 2023.

5. Contracts of employment

With the exception of the Director of Nursing and Patient Experience, (G Howells) who rejoined the health board on secondment from his permanent contract at Welsh Government, all Executive Directors are on permanent Contracts of Employment with Swansea Bay University Local Health Board. Executive Directors are required to give the Health Board three months' notice and are eligible to receive three months' notice from the Health Board. The policy on duration of contracts, notice period and termination periods is that set by the Welsh Government.

The only provisions for early termination are as allowed by the NHS Pension Scheme (compensation for premature retirement) regulations. In all other cases of early termination this will be as detailed in individuals' contract of employment.

6. Other information

There are no local pay bargaining initiatives within the Health Board. No payments have been made for Professional Indemnity Insurance for any Officer or Director.

7. Staff Report Section

This section of the report includes information on staff numbers, composition, sickness absence data, staff policies applied during the year, expenditure on consultancy, off-payroll engagements and exit packages.

7.1 Staff Numbers and Composition

The average number of employees by staff group for 2022/23 is set out in the table below, along with the comparison for 2021/22. The average is calculated as the whole time equivalent number of employees under contract of service at the end of each calendar month in the financial year, divided by the number of months in the financial year.

Staff Group	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainees (SLE)	Collaborative Bank	Other	Total 2022/23	Total 2021/22
Administration, Clerical & Board Members	2,402	16	31	0	0	0	2,449	2,382
Medical & Dental	786	3	27	468	0	50	1,334	1,237
Nursing, Midwifery registered	3,631	6	278	0	17	0	3,932	3,857
Professional, Scientific & technical staff	363	0	0	0	0	0	363	353
Additional Clinical Services	2,479	0	37	0	0	0	2,516	2,410
Allied Health Professions	888	1	5	0	0	0	894	870
Healthcare Scientists	329	0	12	0	0	0	341	325
Estates and Ancillary	993	0	5	0	0	0	998	1,041
Totals	11,770	26	395	468	17	50	12,827	12,475

Staff included as Specialist Trainees (SLE) in the table above are Medical, Dental and GP Trainees employed under the Single Lead Employer Arrangement by Velindre NHS Trust but who are placed for their training within the Health Board. Prior to August 2020 these trainees were directly employed by the Health Board and as such would have been classified as permanent staff.

Staff included as Collaborative Bank staff in the table above are also directly employed by Velindre NHS Trust and provide bank nurse cover across Wales. Currently only Swansea Bay University Health Board, Cwm Taf Morgannwg Health Board and Digital Healthcare Wales (DHCW) are members of the Collaborative Bank Scheme.

Staff listed under the "Other" column in the table above are temporary staff sourced through the MEDACS managed service contract. These staff are paid through the NHS payroll.

As at 31st March 2023, the Health Board has 13,774 employees, of which 9 are Executive Directors. Of these staff, 3,083 are male, including 5 Executive Directors, and 10,691 are female, including 4 female Executive Directors.

There are also 10 Independent Members, of which 3 are male and 7 are female.

7.2 Sickness Absence Data

	2022/23	2021/22
Total days lost	328,256	332,536
Short Term Sickness (27 days or less)	121,726	105,674
Long Term Sickness (28 days or more)	206,531	226,863
Total staff years	11,854	11,740
Average working days lost	17	18
Total staff employed in period (headcount)	13,467	13,347
Total staff employed in period with no absence (headcount)	3,789	4,296
Percentage staff with no sick leave	27.51%	31.55%

7.3 Staff Policies applied during the year:

The staff policy on equality was applied during the year to address the following:

- For giving full and fair consideration to applications for employment by the Health Board made by disabled persons, having regard to their particular aptitudes and abilities.
- For continuing the employment of, and for arranging appropriate training for, employees of the Health board who have become disabled persons during the period when they were employed by the Health Board.
- Otherwise for the training, career development and promotion of disabled persons employed by the Health Board.

7.4 Expenditure on Consultancy

As disclosed in Note 3.3 of the Health Board's Accounts, the Health Board incurred expenditure of £1.065m on Consultancy Services in 2022/23, (£0.594m in 2021-22). Expenditure on Consultancy Services is incurred when outside expertise is required by the Health Board to support the Health Board in managing its services and functions on a day to day basis. Such examples include:

- Management Consultancy support to Morriston Service Group to support the development of a financial improvement plan and build local systems for action, reporting and cost control.
- Management Consultancy to support the Health Board with the development and implementation of the Acute Medical Services Redesign (AMSR) project delivering service transformation across the health board.
- External advice and support to the Health Board in developing the Home First demand and capacity model as part of service transformation.

7.5 Off-payroll Engagements

Table 1: For all off-payroll engagements as of 31 March 2023, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31 March 2023	0
Of which...	
Number that have existed for less than one year at time of reporting.	0
Number that have existed for between one and two years at time of reporting.	0
Number that have existed for between two and three years at time of reporting.	0
Number that have existed for between three and four years at time of reporting.	0
Number that have existed for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023	0
Number of these engagements which were assessed as caught by IR35	0
Number of these engagements which were assessed as not caught by IR35	0
Number of these engagements that were engaged directly (via PSC contracted to department) and are on the departmental payroll;	0

Number of these engagements that were reassessed for consistency/assurance purposes during the year whom assurance has been requested but not received;	0
Number that saw a change to IR35 status following the consistency review.	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Details of the exceptional circumstances that led to each of these engagements.	Not Applicable
Details of the length of time each of these exceptional engagements lasted	Not Applicable
Total number of individuals both on and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year. This figure includes engagements which are ON PAYROLL as well as those off-payroll.	0

There were 0 off payroll engagements in place at the start of the 2022/23 financial year. There have been no new off payroll engagements during the year.

7.6 Exit packages

The figures disclosed relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff costs and expenditure noted in the Health Board's Annual Accounts.

	2022-23				2021-22
<u>Staff Numbers</u>					
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0

	2022-23				2021-22
<u>Exit Packages Costs</u>					
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£'
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

£0 exit costs were paid in 2022-23 (2021-22, £0).