

Remuneration and Staff Report

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 2019/20 there was a pay inflation uplift of 2% 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 Chairman, 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 2019/20, the only uplifts recommended were an inflationary uplift of 2%.

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 2019/20 and 2018/19 are shown in the table below. 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.

The salaries disclosed in the table below reflect new appointments and leavers during the financial years 2019/20 and 2018/19. 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. It should also be noted that the table below only includes Directors in post at the point that the NHS Pensions Agency provided the pension information to the health board in February 2020.

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) 2020 report. Further details on the Single Total Remuneration figure from Cabinet Office can be found at the following Employer Pension Notices website in EPN 571 (2019-20) <https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn571-resource-accounts-2019-20-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	2019/20					2018/19				
		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	£00	£000	£000	£000	£000	£00	£000	£000
A Davies	Chairman until 30 th June 2019	15-20	0	0	0	15-20	65-70	0	0	0	65-70
E Woollett	Interim Chairman from 1 st July 2019. Vice Chairman from 1 st April 2019 to 30 th June 2019	65-70	0	0	0	65-70	55-60	0	0	0	55-60
M Waygood	Interim Vice Chairman from 23 rd July 2019 Independent Member from 1 st April 2019 to 22 nd July 2019	40-45	0	0	0	40-45	15-20	0	0	0	15-20
T Myhill	Chief Executive	200-205	0	0	64	265-270	200-205	0	0	99	295-300
C White	Deputy Chief Executive from 4 February 2019. Interim Chief Operating Officer.	160-165	0	0	231	390-395	140-145	0	0	73	215-220
L Hamilton	Director of Finance from 1 st April 2019 to 29 th February 2020	200-205	0	0	36	235-240	135-140	0	0	32	165-170

Names	Titles	2019/20					2018/19				
		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	£00	£000	£000	£000	£000	£00	£000	£000
D Griffiths	Interim Director of Finance from 2 nd March 2020	10-15	0	0		10-15					
R Evans	Medical Director from 4 th November 2018.	170-175	0	0	133	305-310	65-70	0	0	90	155-160
A Roeves	Interim Medical Director from 1 st October 2018 to 1 st November 2018						10-15	0	0		10-15
P Mangat	Interim Medical Director from 26 th July 2018 to 1 st October 2018						35-40	0	0		35-40
H Laing	Medical Director to 31 st July 2018						55-60	10-15	0		70-75
G Howells	Director of Nursing & Patient Experience from 16 th July 2018	130-135	0	0	106	235-240	90-95	0	0	181	270-275
A Hopkins	Interim Director of Nursing & Patient Experience from 4 th December 2017 to 13 th						80-85	0	0		80-85

Names	Titles	2019/20					2018/19				
		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	£00	£000	£000	£000	£000	£00	£000	£000
	July 2018										
H Robinson	Director of Workforce & OD from 9 th April 2018	125-130	0	0	26	155-160	125-130	0	0	215	340-345
K Lorenti	Acting Director of Human Resources from 1 st October 2016 to 8 th April 2018						0-5	0	0		0-5
C Morrell	Director of Therapies & Health Sciences from 6 th February 2017 to 1 st November 2018						55-60	0	0		55-60
S Husbands	Director of Public Health from 1 st April 2019 to 13 th October 2019	70-75	0	0		70-75	115-120	0	0	46	165-170
K Reid	Interim Director of Public Health from 13 th October 2019 until 29 th February 2020. Director of Public Health from 1 st March 2020	50-55	0	0	26	75-80					

Names	Titles	2019/20					2018/19				
		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	£00	£000	£000	£000	£000	£00	£000	£000
S. Harrop-Griffiths	Director of Strategy	125-130	0	56	37	170-175	125-130	0	50	22	150-155
P Wenger	Director of Corporate Governance/Board	105-110	0	0	30	130-135	100-105	0	0	77	180-185
M Berry	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
C Phillips	Independent Member to 31 st December 2018						10-15	0	0	0	10-15
M Sollis	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
T Crick	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
M Child	Independent Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
R Owen	Independent Member from 10 th August 2018	15-20	0	0	0	15-20	10-15	0	0	0	10-15
R Ciborowski	Non-officer Member from 14 th August 2018 to 31 st December 2018						5-10	0	0	0	5-10
N Zolle	Independent Member from 9 th October 2019	5-10	0	0	0	5-10					

Names	Titles	2019/20					2018/19				
		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	£00	£000	£000	£000	£000	£00	£000	£000
J Hopkin	Independent Member until 11 th November 2019	0	0	0	0	0	0	0	0	0	
J Davies	Independent Member	0	0	0	0	0	0	0	0	0	

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

- C White was appointed as Deputy Chief Executive with effect from 4th February 2019.
- L Hamilton, Director of Finance left the health board on 29th February 2020. In line with the settlement agreement for her departure, the salary reported within the table above represents a payment for untaken annual leave of £2,992.93, an ex-gratia payment for termination of employment of £35,464.64 and a payment of £35,464.64 in respect of her contractual entitlement to payment in lieu of notice.
- H Laing, Other Remuneration for 2018-19 related to payment of a clinical excellence award.
- A Hopkins commenced as Interim Director of Nursing & Patient Experience on 4th December 2017 and left the role on 13th July 2018. She was engaged via a Personal Services Contract (PSC), with the arrangement falling within the remit of the IR35 regulations.

- J Hopkin, Independent Member, declined remuneration for his post during the period that he was 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.
- C Morrell stood down from the role of Director of Therapies and Health Science on 1st November 2018 at which point the role ceased to be an Executive Director Role within the Health Board. The Therapies and Health Science portfolio now forms part of the role of the Chief Operating Officer.

The former Director of Finance left the Health Board on 29th February 2020 and was entitled to receive payments in line with the Settlement Agreement. These payments which were made in April 2020 are disclosed in this report, and in full within the figures in the Annual Accounts within Note 3.3 (Expenditure on Hospital and Community Services) and also within Note 5.5 (Reporting of other compensation schemes – exit packages).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The highest paid director in the LHB in 2019/20 as in 2018/19 was the Chief Executive. The banded remuneration of the highest-paid director in the LHB in the financial year 2019/20 was £200,000 - £205,000 (2018/19, £200,000 - £205,000). This was 6.8 times (2018/19, 7.0) the median remuneration of the workforce, which was £29,881 (2018/19, £28,840).

In 2019/20, 5 (2018/19, 11) employees received remuneration in excess of the highest-paid director. The remuneration for these 5 employees includes payments in respect of waiting list initiatives undertaken in addition to their normal salary. Remuneration for staff ranged from £17,652 to £249,523 (2018/19 £17,460 to £245,038).

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 car.

The employees who received remuneration in excess of the highest paid director in 2019/20 were all medical staff as in 2018/19. None of these staff are related to the Chairman, Executive Directors or Independent Members.

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 20.6%. The employer's contribution to the NHS Pension Scheme is excluded from the salary figures shown below 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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. It should be noted that the table below only includes Directors in post at the point that the NHS Pensions Agency provided the relevant information on pensions for staff, this being February 2020.

Name	Title	Real Increase/ (Decrease) in Pension @ Age 60 (bands of £2,500) £000	Real Increase/ (Decrease) in Pension Lump Sum @ Age 60 (bands of £2,500) £000	Total accrued Pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2020 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2010 £000	Cash Equiv. Transfer Value at 31/03/2019 £000	Real increase in Cash Equiv. Transfer Value £000	Employer's contrib. to stake-holder pension £000
T Myhill	Chief Executive	2.5-5	0-2.5	75-80	195-200	1,614	1,480	109	0
L Hamilton	Director of Finance until 29 th February 2020	2.5-5		5-10		107	66	40	0
D Griffiths	Interim Director of Finance from 2 nd March 2020								
C White	Deputy Chief Executive and Interim Chief Operating Officer	10-12.5	32.5-35	70-75	210-215	1,661	1,344	294	0
K Reid	Director of Public Health	0-2.5	0-2.5	15-20	45-50	374	335	33	0
S Harrop- Griffiths	Director of Strategy	2.5-5	0-2.5	50-55	120-125	1,027	951	60	0
R Evans	Medical Director	5-7.5	10-12.5	55-60	130-135	1,114	950	147	0

Name	Title	Real Increase/ (Decrease) in Pension @ Age 60 (bands of £2,500) £000	Real Increase/ (Decrease) in Pension Lump Sum @ Age 60 (bands of £2,500) £000	Total accrued Pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2020 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2010 £000	Cash Equiv. Transfer Value at 31/03/2019 £000	Real increase in Cash Equiv. Transfer Value £000	Employer's contrib. to stake-holder pension £000
G Howells	Director of Nursing & Patient Experience	5-7.5	15-17.5	60-65	180-185	1,365	1,194	152	0
H Robinson	Director of Workforce & OD	0-2.5	5-7.5	40-45	120-125	949	867	67	0
P Wenger	Director of Corporate Governance/Board Secretary	0-2.5	0-2.5	35-40	85-90	709	655	43	0

- L Hamilton has no lump sum as she is not a member of the 1995 NHS Pension Scheme. She is a member of the 2015 NHS Pension Scheme where no lump sum is payable.
- D Griffiths chose not to be covered by the NHS Pension arrangements during 2019-20

5. Contracts of employment

With the exception of the Interim Chief Operating Officer and Deputy Chief Executive, (C White) who is on secondment from his permanent contract at Cwm Taf Health Board, 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 2019/20 is set out in the table below, along with the comparison for 2018/19. 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. The numbers for 2018/19 represent the staff employed within the former Abertawe Bro Morgannwg University Health Board, which was succeeded on 1st April 2019 by Swansea Bay University Health Board under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019. This statutory instrument transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg University Local Health Board to Cwm Taf University Local Health Board, and created Swansea Bay University Local Health Board which is responsible for the provision of healthcare services for the populations falling under the local government areas of Swansea and Neath Port Talbot.

As a result of this change, staff previously employed by Abertawe Bro Morgannwg University Health Board to provide services to the population falling under the local government area of Bridgend transferred to Cwm Taf Morgannwg University Health Board under the Transfer of

Undertakings (protection of Employment) Regulations (TUPE) resulting in the reduction in the number of staff employed by Swansea Bay University Health Board as shown in the table below.

Staff Group	Permanent Staff	Agency Staff	Staff on Inward Secondment	Total 2019/20	Total 2018/19
Administration, Clerical & Board Members	2,106	35	16	2,157	2,535
Medical & Dental	1,044	44	0	1,088	1,392
Nursing, Midwifery registered	3,449	171	0	3,620	4,636
Professional, Scientific & technical staff	360	0	0	360	448
Additional Clinical Services	2,297	25	0	2,322	2,767
Allied Health Professions	760	16	0	776	921
Healthcare Scientists	298	5	0	303	324
Estates and Ancillary	1,036	21	0	1,057	1,410
Students	2	0	0	2	5
Totals	11,352	317	16	11,685	14,438

As at 31st March 2020, the Health Board has 12,991 employees, of which 8 are Executive Directors. Of these staff, 2,933 are male, including 5 Executive Directors, and 10,058 are female, including 3 female Executive Directors.

There are also 9 Independent Members, of which 4 are male and 5 are female.

7.2 Sickness Absence Data

	2019/20	2018/19
Total days lost	260,356.78	303,195.43
Short Term Sickness (27 days or less)	75,095.71	78,448.06
Long Term Sickness (28 days or more)	185,261.07	224,747.37
Total staff years	11,321.07	14,093.05
Average working days lost	14	13
Total staff employed in period (headcount)	12,902	16,088
Total staff employed in period with no absence (headcount)	4,771	6,521
Percentage staff with no sick leave	36.30%	40.32%

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 £0.349m on Consultancy Services in 2019/20. 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 to support performance improvement through independent reviews of the Health Board’s Clinical Services and benchmarking of clinical and other performance data.
- Management Consultancy to support the Health Board with staffing and other operational management issues.
- External advice and support to the Health Board in implementing staff development and training programmes.

7.5 Off-payroll Engagements

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31 March 2020	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 2019 and 31 March 2020, 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 2018 and 31 March 2019	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 2019 and 31 March 2020

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 2019/20 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.

	2019-20				2018-19
Staff Numbers					
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	1

	2019-20				2018-19
£50,000 to £100,000	0	1	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	1	1	0	1
Exit Packages Costs					
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	45,805
£50,000 to £100,000	0	73,922	73,922	35,465	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	73,922	73,922	35,465	45,805

The exit package disclosed above for 2019/20 will be paid in April 2020 and relates to a payment made to the former Director of Finance who left the Health Board on 29th February 2020. The package comprised payments in lieu of notice, for untaken annual leave and an ex-gratia payment on termination.

The exit package disclosed above for 2018/19 comprises departure costs paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

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 2019-20, the year of departure (2018-19, £45,805).