



**Cyfoeth
Naturiol
Cymru**
**Natural
Resources
Wales**

Pay Policy Statement

March 2018

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Introduction

1. Natural Resources Wales (NRW) recognises the importance of a pay system that is equal to all, appropriate, transparent, provides value for money and rewards staff fairly for the work they perform. This policy statement sets out NRW's approach to pay and the relationship between the employee's pay and the remuneration of senior management.
2. This statement has been prepared in accordance with the principles contained in the Welsh Government's '[Transparency of senior remuneration in the devolved Welsh public sector](#)' published in December 2015.
3. This statement is accompanied by the following appendices:
 - Appendix 1 – NRW grades, pay scales and headcount
 - Appendix 1a – NRW historical grades and headcount
 - Appendix 2 – NRW Senior Management Salaries
 - Appendix 3 – Pay Relativities within NRW
 - Appendix 4 – Off-payroll Engagements
 - Appendix 5 – New off-payroll engagements
 - Appendix 6 – Board Members Arrangements

Legislative Framework

4. NRW has the power to appoint staff under the Natural Resources Body for Wales (Establishment) Order 2012; and complies with all relevant employment legislation in determining the pay and remuneration of its staff.

Definitions and the Responsibility for Pay Decisions

5. The Chief Executive is responsible for recommending to Welsh Government and the Cabinet Secretary appropriate pay arrangements for NRW staff. Staff are employees within Bands 1 – 11 and include Support, Operational, Technical, and Management and Leadership band grades. This group therefore includes all NRW staff excluding the Directors, Executive Directors and the Chief Executive.
6. The Executive Director of ODPM (Executive Director Finance & Corporate Services from 1st August 2018) is responsible for ensuring Trade Unions are fully engaged in pay negotiations, in the spirit of social partnership, and through a Collective Bargaining Agreement.
7. Senior management roles are not delegated, and their respective pay arrangements are therefore implemented in accordance with the guidance produced by the Welsh Government, following recommendations from the Chair with respect to the Chief Executive, and from the Chief Executive with respect to Executive Directors and Directors.
8. The NRW People and Remuneration Committee (PaRC) is responsible for determining senior pay decisions and managing the performance, potential and talent of senior staff and making recommendations to the Board for approval. The Committee ensures remuneration is handled in a fair and appropriate way and in line with Welsh

Government guidance. The Committee has some flexibility to determine if the level of performance by Executive Directors / Directors merits a pay increment award, for example. The Committee is chaired by a Non-Executive Director. Further information on the Committee, its terms of reference and its membership can be found [here](#).

9. The recommendation of PaRC, with respect to Chief Executive pay, is subject to endorsement by Welsh Government.

Employment Terms and Conditions of Service

10. The vast majority of employees have terms and conditions of service, including pay, set by the NRW. Following the introduction of our Job Evaluation scheme some staff have benefited from pay protection and is reflected in Appendix 1 below

Collective Bargaining Arrangements

11. NRW is proud of its strong partnership relationship with Trade Union colleagues and works closely with them on pay related matters. Arrangements for the consultation and negotiation of pay are set out within our Partnership Agreement.
12. Pay awards for staff are normally negotiated on an annual basis but alternative arrangements may be agreed, for example where existing agreements cover an extended period or when directly linked to the development of our new job evaluation scheme.

Pay Principles

13. Together with collective pay bargaining arrangements, NRW adopts the following key pay principles:
 - **Affordability and Value for Money** – Pay agreements are based around affordability and ensuring the best use of public funds.
 - **Equal Pay** – Pay arrangements are inclusive for staff regardless of age, marriage (including equal / same sex marriage) and civil partnership, disability, sex, sexual orientation, pregnancy and maternity, race, religion or belief, or gender identity. A Gender Pay Gap Report is published annually and can be found [here](#).
 - **Openness and Transparency** – Full salary and remuneration details for Board Members are included within the NRW annual account disclosures. In addition, Chief Executive, Executive Director and Director level salaries will be summarised annually alongside this statement.
 - **Incremental Pay** – Employees have the opportunity to progress to the top increment of their pay scale within a maximum of four/five years depending on grade.
 - **A focus on addressing low pay and supporting the Living Wage** - All directly employed staff (and apprentices on training contracts) are paid the Living Wage as defined by the Living Wage Foundation. NRW is looking to become an accredited Living Wage employer.

Pay Arrangements

14. NRW's current pay band rates are shown at Appendix 1. Appendix 1a shows historical grades and headcount. New appointments are normally recruited at the minimum of the relevant pay band. Under some circumstances, for example where evidence exists that a new employee has been on a higher salary immediately prior to joining NRW, they may be appointed to a higher increment within the pay grade. Salaries are subject to an incremental increase each year until the maximum rate is reached (normally within 3-4 years). Individuals who are evaluated as underperforming are not eligible for incremental progression. On promotion, starting pay is to the minimum of the pay band for the new grade. Current and historical staff numbers at all grades can be found at Appendix 1 and 1a respectively.
15. The Executive Team and CEO salary range, determined by PaRC based on benchmarking data, and endorsed by Welsh Government, is shown at Appendix 2.

Additional Payments and Allowances

16. Depending on business requirements, employees may be eligible for the following additional payments and other discretionary allowances during the course of delivering their role. These include, professional and operational allowances, and reimbursement of travel and expenses. These payments and allowances are partly derived from the legacy bodies, and partly from NRW's Total Reward Package, and will be subject to a formal review by late 2018.
17. To support organisational change, NRW may, from time to time, elect to run severance exercises. In such circumstances employees will be offered compensation based on the terms associated with their respective Pension Scheme of which there are two. All severance activity is supported by a business case which includes cost benefit analysis.

Pay Relativities within Natural Resources Wales

18. The lowest pay within NRW is the starting rate within Grade 1 (Team Support) salary range (£16,835 to £17,919). This excludes apprentices who are paid the living wage. The Chief Executive is the highest paid member of staff. Pay relativity comparisons relating to the highest paid member of staff (Chief Executive) and the average Executive Director salary are provided in Appendix 3.

A Wider Reward and Recognition Package

19. In addition to employee's salary, NRW offers a comprehensive range of both financial and non-financial workplace benefits. This includes membership of a pension scheme, access to salary sacrifice arrangements, learning and development opportunities including continuing professional development and employee wellbeing schemes. A range of modern flexible working arrangements are also available to support a work life balance.

Reviewing this statement

20. This statement is for publication on the NRW website. It will be reviewed and updated on an annual basis or when substantive changes occur.

Appendices:

- Appendix 1 – NRW grades, pay scales and headcount
- Appendix 1a – NRW historical grades and headcount
- Appendix 2 – NRW Senior Management Salaries
- Appendix 3 – Pay Relativities within NRW
- Appendix 4 – Off-payroll Engagements
- Appendix 5 – New off-payroll engagements
- Appendix 6 – Board Members Arrangements

Appendix 1: NRW Grades, Pay Scales, and Headcount

	Salary Range	Headcount	fte
Grade 11	£59,909 - £64,424	17	16.0
Grade 10	£53,888 - £58,403	32	30.5
Grade 9	£47,910 - £52,301	37	35.8
Grade 8	£42,053 - £46,446	82	80.1
Grade 7	£36,502 - £40,935	160	153.1
Grade 6	£32,090 - £36,197	503	478.1
Grade 5	£28,215 - £32,090	489	473.9
Grade 4	£24,528 - £28,215	318	311.9
Grade 3	£21,154 - £24,528	96	89.5
Grade 2	£17,919 - £21,154	126	117.4
Grade 1	£16,835 - £17,919	13	8.6
Total:		1,873	1,794.9

These figs are based on actual salaries at 31 March 2018. When implemented Job Evaluation staff were given the option to 'Opt Out' of the scheme and retain their old payscale. Therefore Opt Out staff have been included on their existing salary ranges not their Job Evaluated grades.

Appendix 1a: NRW Historical Grades and Headcount

TRP Equivalents	Headcount	FTE	Headcount	FTE
	31-Mar-17		31-Mar-16	
E2	1	1.0	1	1.0
E1	47	45.8	57	55.8
D3	8	7.3	10	9.7
D2	106	102.1	113	110.4
D1	101	96.1	105	99.5
C3	373	361.1	400	388.7
C2	148	137.8	161	147.8
C1 & C1W	556	530.1	590	561.2
B3 & B3W	231	223.0	258	247.4
B2	248	237.3	268	254.8
B1	32	23.3	50	37.9
Total	1851	1765.0	2013	1914.3
Directors	8	8.0	10	10.0
Secondes In	10	9.4	10	10.0
Apprentices	15	15.0	11	11.0

Appendix 2: NRW Senior Management Salaries

Number of Staff	FTE Salary £,000	
	145-150	Additional disclosures for Board members can be found in the NRW annual report and accounts here
	140-145	
1	130-135	
	120-125	
	115-120	
	110-115	
	105-110	
1	100-105	
1	95-100	
3	90-95	
	85-90	
	80-85	
2	75-80	
	70-75	

The above includes all staff at Chief Executive, Executive Director and Director level at 31 March 2018

Appendix 3: Pay Relativities within NRW

The lowest pay within NRW is the starting rate in the Team Support salary range (Grade 1). This excludes apprentices who are engaged on training contracts and paid the Living Wage. The highest paid member of staff is currently the Chief Executive Officer (CEO). The figures below are based on salaries as at 31 March 2018

Multiple of Salary		Ratio
Ratio Low to High (CEO)	The multiple between the annual salary of the lowest and highest paid employee as a ratio	1 to 7.72
Ratio Low to High (Executive Team)	The multiple between the annual salary of the lowest paid employee and the average Executive Team member as a ratio	1 to 5.32
Median Ratio to High (CEO)	The multiple between the median salary in NRW (excluding Executive Team) and the highest paid as a ratio	1 to 4.49
Median Ratio to High (Executive Director)	The multiple between the median salary in NRW (excluding the Executive Team) and the average Executive Director salary as a ratio	1 to 3.10
Average Ratio to Average Ratio (Executive Director)	The multiple between the average salary in NRW (excluding the Executive Team) and the average Executive Director salary as a ratio	1 to 2.83

Highest paid – Band of £130K to £135K

Median remuneration of workforce (excl Executive Team) £28,953

Average remuneration of workforce (exc Executive Team) £31,704

Median remuneration of Executive Teams (exc CEO) £92,500

Average remuneration of Executive Team (exc CEO) £89,626

Appendix 4: Off-payroll Engagements

	TOTAL
No. of existing engagements as of 31 March 2018	64
Of which...	
No. that have existed for less than one year at time of reporting.	34
No. that have existed for between one and two years at time of reporting.	15
No. that have existed for between two and three years at time of reporting.	5
No. that have existed for between three and four years at time of reporting.	7
No. that have existed for four or more years at time of reporting.	3

The details shown above are those earning more than £245 per day and that last for longer than six months as at 31 March 2018

Appendix 5: New Off-payroll Engagements

	TOTAL
No. of new engagements, or those that reached six months in duration, between 1 April 2018	5
No. of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	5
Of which...	
No. for whom assurance has been received	4
No. for whom assurance has not been received	1
No. that have been terminated as a result of assurance not being received.	0

The above figures are for those earning more than £245 per day since 1st April 2018

Appendix 6: Board Members Arrangments

	TOTAL (Heads) at 31/3/18	TOTAL (fte) at 31/3/18
No of off-payroll engagements of Board members during the financial year	N/A	N/A
No of individuals who have been deemed Board members during the financial year. This figure should include both off-payroll and on-payroll engagements.	11	1.7