



CYLCHLYTHYR IECHYD CYMRU

Statws: Cydymffurfiaeth

Categori: Gweithlu, Cyllid

Teitl: Llywodraethiant ar benodiadau interim i swyddi gweithredol ac uwch

Dyddiad dod i ben / Adolygu: Amherthnasol – Bydd graddfeydd cyflog cyfredol yn cael eu cyhoeddi ar wefan GIG Cymru.

I'w weithredu gan y canlynol: Byrddau ac Ymddiriedolaethau Iechyd Cymru

Angen gweithredu erbyn: Ar unwaith

Anfonir gan: Judith Paget CBE, Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol a Phrif Weithredwr GIG Cymru

Enw(au) cyswllt yn Llywodraeth Cymru: Steve Probert (Dirprwy Gyfarwyddwr, Y Gweithlu a Busnes Corfforaethol, Llywodraeth Cymru)

Dogfennau amgaaedig: Dim

Governance on Interim Appointments to Executive and Senior Positions

1. In August 2017 and June 2021, the Director General of Health & Social Services and Chief Executive of NHS Wales wrote to all Chief Executives of Local Health Boards and NHS Trusts advising of the importance of ensuring high standards of governance in recruitment of Executive Directors. This was following the publication of the report of the Auditor General for Wales relating to *Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner*. A further letter was also issued in December 2018 by the Welsh Government's Director of Workforce and Corporate Business regarding arrangements for remuneration of Executive and Senior Positions (ESP).
2. This Welsh Health Circular supersedes the previous correspondence on this matter in respect of the appointment of interims. It needs to be read in conjunction with the latest Pay Circulars for the relevant professional group (ESP, Agenda for Change or Medical and Dental) which can be found on the NHS Wales website ¹.
3. The need for clear governance on this issue was highlighted in a report for Betsi Cadwaladr University Health Board, also submitted to the Welsh Government, in June 2023. ²

Rationale and principles for All Wales Governance of recruitment and remuneration.

4. Within NHS Wales, there is a commitment to a 'One Wales' approach to the key features of employment to support equity and transparency in recruitment, employment and remuneration. This applies to interim appointments in the same way as substantive appointments. As a result, NHS organisations making decisions about recruitment and remuneration of interim appointments within the NHS in Wales must be able to demonstrate that they meet the recruitment and remuneration principles set out below.

Recruitment and remuneration principles

5. Decisions relating to interim appointments must therefore:
 - Employ robust corporate governance principles
 - Demonstrate appropriate use of public money
 - Demonstrate value for money
6. Since 2009 we have had an established system to govern remuneration with standardised all Wales job evaluation schemes and remuneration rates set out in all Wales Pay Circulars. Together with equitable recruitment practice, these safeguards provide clear and auditable evidence of value for money and fairness

¹ <https://www.nhs.wales/hpb/nhs-pay-conditions/>

² bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-meetings/independent-review-of-interim-appointments-to-executive-posts-at-bcuhb/

and probity in appointment to roles that are funded through public expenditure to deliver critical services to the people of Wales.

7. These principles apply equally to all those engaged on an interim basis, either through employment or by procurement.

Appointment to Interim positions

8. Interim arrangements for executive and senior posts must only be used in exceptional circumstances, where there is a clear rationale for not appointing substantively to the role. Where an interim ESP appointment can be justified – eg. for executive director posts – there must be approval from the relevant Welsh Government Head of Profession prior to an appointment being confirmed. Furthermore, for interim appointments to executive director posts, the Welsh Government Head of Profession must be on the interview panel.
9. The same discipline requiring job evaluation for the role, and considering any potential conflicts of interest in the recruitment or selection process, apply as for substantive appointments.
10. The maximum contract length for interim appointments is six months. Proposals to extend a contract beyond this period must be submitted to the Welsh Government for prior approval³, with a detailed explanation as to why an extension is necessary, and what plans and timescales are in place to recruit substantively to the role.
11. Remuneration levels must be set in line with job evaluation of the role, and in line with the most recent Pay Circulars. The same approval and controls are required for salary set outside the range as with permanent appointments.
12. Consequently, proposals to exceed cost parameters must also be submitted, with a detailed explanation, to the Welsh Government for prior approval³. The current (2023/24) ESP maximum salary and equivalent daily rates are:

Pay point	Max Salary	Max Daily Rate	NI ERS	Pension ERS
20	£236,806	£649	89.56	81.13
19	£217,980	£598	82.52	74.75
18	£201,430	£552	76.18	69.00
17	£188,567	£517	71.35	64.63
16	£176,802	£485	66.93	60.63
15	£170,919	£469	64.72	58.63
14	£159,153	£436	60.17	54.50
13	£147,387	£404	55.75	50.50
12	£135,622	£372	51.27	46.50
11	£129,738	£356	49.13	44.50
10	£123,856	£340	46.92	42.50

³ Organisations must not assume that approval will be given retrospectively.

9	£117,973	£324	44.72	40.50
8	£112,091	£307	42.37	38.38
7	£106,208	£291	40.16	36.38

13. Using the same rationale as that set out in para 2.1.5 of 'Managing Welsh Public Money'⁴, any proposals for interim executive or senior appointments that set precedents, or which could be deemed as either 'novel' or 'potentially contentious', must be put to the Welsh Government for prior approval³. This approach aligns with the standard requirements of the Accountable Officer letter of appointment.

14. Any intention to consider remuneration above the maximum salary range associated with the job evaluation of the role is, by definition, novel and contentious. Similarly, proposals involving the redeployment of an interim executive to a different, lower-graded role within the organisation are also novel and contentious.

Procurement of services to deliver NHS roles

15. There have been a number of instances where procurement has been used to deliver services or capacity and expertise to deliver ESP and other senior NHS roles. This approach must not be used as an approach to avoid the normal process and controls for interim (or permanent) recruitment to senior NHS roles.

16. If exceptional circumstances arise where procurement is the most appropriate and cost-effective way of securing the expertise of an individual into an organisation then the decision to approve must involve the Welsh Government Head of Profession. The organisation must record in a transparent manner a clear rationale for deciding to procure the services which describes how the decision fits the recruitment and remuneration principles set out in paragraph 4 above. The organisation's Remuneration And Terms of Service (RATS) committee must be involved in this decision if it relates to a senior role in the organisation.

17. Any such decision must also be implemented in line with proper procurement practice. Organisations must be able to demonstrate that they have complied with the requirements that:

- Procurement training is mandatory and must be in place for all Executive Directors and all staff involved in procurement.
- All staff involved in procurement must be aware of, and be able to access, Standing Financial Instructions to inform decision making.
- Professional procurement leads to be involved at the outset in any contract that is likely to be novel and/or contentious. There must be a clear system of delegations and sign off for all single tender actions that provides for a very limited number of individuals who can formally approve any departure requests with full clarity on their role and responsibilities.

⁴ <https://www.gov.wales/sites/default/files/publications/2018-10/managing-welsh-public-money.pdf>

- Transparency and reporting of all single tender actions to the organisation's audit committee.
- Novel and/or contentious single tender actions must be reported to the full Board.

Agenda for Change and Medical and Dental roles

18. The Recruitment and Remuneration principles set out in paragraphs 4 and 5 above apply to all interim appointments within NHS Wales. These are to be applied in the context of the appropriate existing arrangements including the All Wales Job Evaluation Scheme which is operated by NHS Employers and national rates of pay and contractual arrangements for workforce employed on Agenda for Change or Medical and Dental contracts which are set out in Welsh Government Pay Circulars¹.