

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Chief Executives – Local Health Boards, Trusts and
Special Health Authorities

Our Ref: AG/MW/SB

25 June 2021

Dear Colleagues

Governance in Recruitment

In August 2017 I 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 Audit 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 Helen Arthur regarding arrangements for remuneration of Executive and Senior Positions (ESP).

As a number of you have taken up post since 2017 and two new Special Health Authorities have been established since this time I thought it would be helpful to remind you of the content of these letters.

In writing, I am conscious that a number of you have raised concerns about the inflexibility of the current system and whether the approach continues to allow us to attract and retain individuals into ESP roles in Wales. We have asked the Senior Salaries Review Body (SSRB) to offer us some advice on the current system and your organisations have had the opportunity to provide the SSRB with evidence to support this process. We will consider the SSRB advice once we receive it, but in meantime, current governance arrangements continue to apply.

The current arrangements are that:

- In respect of the appointment of Executive Directors, I want to make clear my expectation on the recruitment process. It is essential that every recruitment exercise for an Executive Director has the relevant Head of Profession from Welsh Government fully involved in the process and part of the recruitment panel. An appointment process

cannot proceed without the involvement of the Head of Profession. *This requirement is also extended to other Board level appointments such as the Board Secretary.*

- If an interim arrangement for an Executive Director or Board level appointment is required, these arrangements should be discussed with the relevant Head of Profession, before these interim arrangements are progressed.
- The arrangements for remuneration of Chief Executives, Executive Directors and some very senior manager positions are based on the Civil Service job evaluation system (JESP) and are subject to the following principles and methodology:
 - All Chief Executives, Executive Directors and other Directors will be placed on a spot salary. There will be no incremental movement.
 - Performance pay will not apply.
 - Any inflationary annual uplift in salary will be determined by Welsh Government.
 - There will be no ad hoc allowances paid on top of salary.
 - Executive Directors/Directors will be appointed to the minimum of the salary band range (as defined by the posts level from Job Evaluation). This will be the salary paid to appointed candidates for the core role, as detailed in the job description.
 - Medical Directors, as with other Executive Directors, are appointed to the minimum salary band range. The salary for Medical Directors is a consolidated salary and commitment awards will not be paid in addition to the quoted salary.
 - Where significant additional responsibilities are added to the core role, appointed candidates can be remunerated at a level above the minimum point, but still within the salary band range. This will be determined locally by the Health Board/Trust/Special Health Authority Remuneration and Terms and Service Committee (RATS Committee).
 - Where additional responsibilities are added to a role, higher salaries within the salary band range will only apply whilst the wider role is performed. No protection will apply if additional responsibilities are removed. This must be approved by Health Board/Trust/Special Health Authority RATS Committees.
 - If a Director is appointed as Deputy Chief Executive by the Board, remuneration at the salary band range above that applying to their Executive Director role will apply. No protection will apply if additional responsibilities are removed.
 - Welsh Government approval will be required in the exceptional event that remuneration needs to be above the maximum of the salary band range.

There were also requirements linked to procurement specified which are as follows:

- Procurement training is mandatory and should be in place for all Executive Directors and all staff involved in procurement.
- All staff involved in procurement should be aware of, and be able to access, Standing Financial Instructions to inform decision making.
- Professional procurement leads should be involved at the outset in any contract that is likely to be novel, contentious or attract attention, such as management consultancy contracts
- 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.

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

Should you wish to discuss the content of this letter please contact Helen Arthur or one of her team.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Goodall', with a stylized, cursive script.

Dr Andrew Goodall CBE

**cc: Directors of Workforce and Organisational Development
Head of Workforce and OD, Digital Health and Care Wales
Board Secretaries**