

GMCA RESOURCES COMMITTEE

Date: 29 July 2022
Subject: GMCA Pay Policy
Report of: Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

PURPOSE OF REPORT

This report sets out the proposed approach to introducing a more modern, streamlined and progressive pay and grading structure for GMCA (non-operational workforce) for all roles above Grade 11.

This is needed to ensure flexibility, fairness, transparency and compliance with equality legislation as set out within the Equality Act 2010, in a way that has minimal impact on the budget and on the workforce.

RECOMMENDATIONS:

Committee is asked to:

1. Note the proposals set out within this report on establishing an equality proofed Pay and Grading structure (above Grade 11) for the GMCA. This does not apply to the operational workforce.
2. Note the development of shared services approach on Information Governance and Audit, Risk and Assurance functions with TfGM.
3. Authorise the GMCA Chief Executive to progress the proposals, continuing ongoing consultation with staff and trade unions.

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Risk Management – N/A

Legal Considerations – N/A

Financial Consequences – Revenue – section 7.

Financial Consequences – Capital – N/A

BACKGROUND PAPERS:

N/A

1. BACKGROUND AND CONTEXT

The GMCA formed as an employer in April 2017, inheriting staff from a range of organisations through TUPE transfers. These staff came with the transferring organisation's pay and grading arrangements (some based on spot salaries; others on pay bands). The GMCA has been grappling with the challenge of these fragmented arrangements and over the last five years efforts have been made to reduce fragmentation through consistency in job naming conventions, pay benchmarking and aligning pay between similar jobs as staff have left the organisation and we recruited to vacant positions.

It is imperative that the GMCA, as an employer, adopts a GMCA-specific pay and grading structure going forward to ensure that its entire pay structure is robust and defensible and also to iron out any remaining discrepancies that exist in the structures above Grade 11. Additionally, in a very competitive labour market it becomes even more important to have clarity and consistency on pay, along with pay progression within the organisational pay and grading arrangements to retain and attract talent.

GMCA already has arrangements in place for its roles up to and including Grade 11, where it uses the NJC Job Evaluation Scheme to ensure that its pay structure is equality proofed. It has undertaken to implement a similar pay and grading structure to ensure parity, transparency and fairness in the way pay is applied to all its roles.

2. NEED FOR A PAY AND GRADING STRUCTURE

The purpose of introducing a pay and grading structure is to:

- Adopt and implement an equality proofed job evaluation scheme that demonstrably creates an objective means for determining pay and grading of officers above Grade 11. This is a critical aspect of any pay structure so that it can be defended against equal pay claims.
- Introduce a cost-effective and affordable pay line that allows the Combined Authority to attract and retain the talent it needs to meet its current and future needs, supported, where appropriate, by a market rate supplement policy which is already in place.

Pay progression helps us to:

- Maintain salary competitiveness while controlling payroll costs within set parameters

- Provide a fair and transparent process by which individual pay increases are determined
- Encourage and reward employees for the increasing levels of knowledge, expertise, behaviours and service to the organisation

Benchmarking across public sector organisations such as Local Authorities, Combined Authorities, Fire and Rescue Services, NHS and the education sector clearly shows the importance of incremental progression in pay within clearly set out pay bands.

A few organisations use a combination of incremental progression and spot salaries for the very senior management levels. However, it is rare to find a public sector pay structure that is comprised only of spot salaries, as we have for roles above Grade 11 in the GMCA currently.

The revised approach to pay and grading above Grade 11 will enable the GMCA to recruit and retain key staff and provide the flexibility to develop new delivery models such as a shared services across two or more organisations and reward these appropriately.

3. LOCAL GOVERNMENT ASSOCIATION (LGA) SENIOR JOB EVALUATION SCHEME:

It has already been agreed with our trade union representatives that the LGA Senior Scheme will be used to develop the appropriate pay and grading structure for the non-operational roles in the GMCA which are above Grade 11.

An initial desktop mapping exercise has been conducted by an independent LGA Senior Adviser, using a sample of role profiles (10 roles desk topped) to ensure 'fit for purpose' with job ranking. Having done this initial evaluation, the LGA Senior Adviser was of the view that the pay assigned to the roles did fit in terms of the rank order.

4. INDICATIVE PAY AND GRADING STRUCTURE (ABOVE GRADE 11):

In order to develop an indicative pay structure that aligns with the hierarchy of roles, extensive benchmarking was conducted on public sector pay, especially GM Local Authorities' pay and grading structures to help inform our approach. The proposed indicative GMCA pay and grading structure put forward for consideration follows the broad features found within the GM local authority pay and grading structures. In developing a structure for the GMCA, the following key principles have been adopted.

Key Principles in adopting a Pay & Grading Structure above Grade 11:

- i. Indicative structure which aims to be fair, transparent and consistent
- ii. Banded structure which mirrors NJC approach for Grades 1 - 11
- iii. Incremental points within each Band – important for talent attraction and retention
- iv. Bands labelled SM7, SM6 SM1 (Senior Manager levels)
- v. Range of Job Titles available to use within each band, aiming to reflect the nature of the roles. These are not exhaustive and will be further expanded.
- vi. Minimise individual detriment as far as is possible whilst ensuring affordability of the overall pay structure

The indicative pay structure set out below comprises 7 grade bands

- 4 Grades with pay progression, each with 5 equal spinal column points i.e. SM7, SM6, SM5, SM4
- 3 Grades above £100k set as spot salaries that stay the same i.e. SM3, SM2, SM1

The new pay structure allows for the creation of a SM5 level pay band i.e. Group Head, Deputy Director, Specialist Adviser etc. Currently such posts do not exist within the GMCA but there is an urgent emerging need as we shape new delivery models such as shared services model with TfGM on both Information Governance and Audit & Risk functions. These functions will each be led by a Group Head and the costs of the functions shared by both the organisations.

Table 1: Indicative Pay & Grading Structure (above Grade 11):

SCP	Annual salary	GRADE/BAND – WITH ILLUSTRATIVE JOB TITLES
53	£58,800.00	Band SM7 - Head of, Manager
54	£59,524.00	
55	£61,050.00	
56	£62,577.00	
57	£64,103.00	
58	£65,324.00	Band SM6 - Assistant Director, Head of, Transaction Manager
59	£67,359.00	
60	£69,394.00	
61	£71,429.00	
62	£73,464.00	
63	£74,685.00	Band SM5 - Specialist Advisor, Group Head, Deputy Director
64	£76,720.00	
65	£78,755.00	
66	£80,790.00	
67	£82,825.00	
68	£86,081.00	Band SM4 - Director, Deputy Treasurer, Chief Resilience Officer
69	£89,133.00	
70	£92,186.00	
71	£95,238.00	
72	£98,291.00	
N/A	Spot salaries – stay the same	SM3 - Executive Director
N/A	Spot salaries – stay the same	SM2 – Deputy CEX, Treasurer, Solicitor & Monitoring Officer
N/A	Spot salary – stay the same	SM1 - Chief Executive (Joint – GMCA & TfGM)

5. PROGRESSION THROUGH THE GRADE:

It is also proposed that Progression Reviews built into the system. These will take place at the 2nd SCP and 4th SCP within each Band. Instead of automatic progression, each employee will need to demonstrate that they meet the standards set before they can progress to the next SCP i.e. the 3rd and then the final SCP within the band.

Standards for progression:

1. Their appraisal process has been completed within the last 12 months and outcomes are in line with the organisation's standards.
2. They are not on a formal capability process.
3. There is no formal disciplinary sanction live on their employment record.
4. They have completed all required essential training
5. If they are a line manager – they have completed appraisals, have regular 1-1's for all their staff and where required have started or concluded any formal development/ capability/ behaviour process for their staff.

Progression deferral:

There may be occasions when a manager decides to defer an employee's progression to the next SCP until they meet the required standards, unless there are exceptional circumstances at play. The line manager must note the reason for non-progression. The employee will have a right to review this decision. Line manager should work with the employee to discuss and agree a plan for any remedial action needed to ensure that the required standards are met, including a timescale, and how any training and support needs will be met.

As soon as the employee meets the standards, the line manager will need to meet with them to confirm progression to next SCP. This should be completed within 3 months, if not, then the employee will need to wait till the next financial year. If fulfilled, pay will be increased effective from the date that the employee and manager agree that standards have been met.

6. METHODOLOGY

Using the previously desk-topped roles as 'markers' we would use a job evaluation exercise to ensure that a further sample of roles are graded in a consistent way, including the ones

previously desk-topped. This will be done by identifying representative sample of roles and using structured questionnaires to get detailed information on the role with line manager validation and then evaluating them. This would also provide us with the opportunity to update and complete Role Profiles which are out of date or missing from the time of transfer to the GMCA. There is a further opportunity to produce a catalogue/suite of model roles with generic roles, responsibilities, skills etc with additional specialisms as needed.

The People Services team has staff trained in using the LGA senior scheme but will use need additional external resource to provide independent moderation.

7. IMPACT:

An initial mapping exercise matching existing roles to the indicative pay structure has been undertaken to assess estimated cost (excluding on-costs) and extent of individual detriment, so that mitigation measures can be considered at the earliest.

Affordability:

The cost of the Implementation of the new pay scale will be covered within existing budgets in 2022/23 and subsequently managed through future year's budget setting processes. The implementation of these scales will not require further external levy funding for the CA.

Note: Salaries above £100k (SM3 – SM1) are spot salaries and stay the same except for the new Monitoring Officer role where savings of £12,925 are achieved.

New Proposed Band	No.	Cost of Migration (Rates of Pay Based on Contractual Hours)
SM3 – SM1	6	Less £12,925 (saving on new Monitoring Officer salary)
Band SM4	13	£19,311
Band SM5	0	0
Band SM6	34	£42,554
Band SM7	11	£3,700
	64	£52,640

Individual Impact:

Detailed Equality Impact Assessment is currently being undertaken. Overall, 81% of the cohort benefit from the proposed new structure, 14% stay the same and 5% face a detriment. The new proposed structure is largely beneficial due to the move to a progression based pay structure from spot salaries.

GMCA has a Pay Protection Policy which provides employees with 2 years of pay protection. This will be applied to staff who face detriment in their pay. Where staff are conditioned to other terms and conditions (due to TUPE) then the appropriate condition will be applied.

8. TIMESCALES FOR IMPLEMENTATION:

Stage 1: (4 weeks)

- Initial consultation meeting with Unison to run through proposals and get feedback.
- Consultation/Briefings - CA-SLT and team sessions for their direct reports.
- Engagement with teams and one-to-one consultation meetings, where requested
- Conduct equality impact assessment on indicative structure.

- Resources Committee report seeking approval for scheme and requesting delegated authority to Chief Executive to progress implementation, including ongoing consultation with trade unions.

Stage 2: Phased approach to evaluating roles (8-12 weeks)

- Work with managers to identify sample of representative roles
- Issue questionnaires with guidance for completion
- Aim to complete all evaluations within 6-8 weeks, with external moderation
- Finalise details of pay and grading structure and any related guidance documents

Stage 3: Approval

- Migrating staff and issuing contract letters
- Consider any requests for review.

9. RECOMMENDATIONS:

As set out in the front of this report.