

Greater Manchester Combined Authority

Resources Committee

Date: 7 February 2025

Subject: Update on GMCA Group arrangements

Report of: Caroline Simpson, Group Chief Executive Officer, GMCA, GMFRS and TfGM

Purpose of Report

This report provides the Committee with an update on the progress made since the last paper in October 2024 in relation to the development of the new Group arrangements, developing our ways of working and ensuring clarity and fairness in our pay and grading structures.

Whilst much of this activity falls within existing delegations, this report will ensure the Resources Committee are sighted on all developments to ensure full transparency.

Recommendations

The Committee is asked to:

1. Note the progress made since the last update to Resources Committee
2. Endorse the inclusion of the proposed pay scales and progression criteria for SM3, in line with necessary consultations
3. Grant the Group Chief Executive the delegated authority to continue to work with Korn Ferry to ensure that the most senior posts are appropriately graded and aligned to the relevant pay grade.
4. Note the extended role of the Director of Strategy, Economy and Research, which will be regraded to SM3 and renamed Director of Strategy
5. Recommend to GMCA the establishment of a 2-year fixed term Chief Transformation at GMCA Grade SM3 (subject to job evaluation)

6. Endorse the engagement of interim support to progress Group Organisational Development priorities.
7. Recommend to GMCA the establishment of seven fixed-term Senior Programme Director posts, at up to grade SM3 to support delivery of Growth Location programmes.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

The proposals in this paper will not have a direct impact on equalities, carbon and sustainability.

Risk Management

Risk to achieving the ambitions and objectives of GMCA without appropriate structures in place.

Legal Considerations

The establishment of posts within this report are in accordance with the legislative requirements of the GMCA and its Constitution

Financial Consequences – Revenue

Financial implications are kept to a minimum through reviewing and regrading of existing GMCA posts or funding through existing budgets and funding streams. Changes to posts will be incorporated into existing 2025/26 budgets.

Financial Consequences – Capital

N/A

Number of attachments to the report:

N/A

Comments/recommendations from Overview & Scrutiny Committee

N/A:

Background Papers

Resources Committee Paper of 25th October 2024

Resources Committee Paper 22nd July 2022

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction

- 1.1. My previous paper to the Committee in October 2024 set out how important it is for the GMCA group of organisations (GMCA, GMFRS and TfGM) to work efficiently and effectively together, to deliver our ambitions for the people of Greater Manchester.
- 1.2. Greater collaboration across the group will in turn enable more coordinated engagement and collaboration with the ten local authorities, with our partners in Health and with Greater Manchester Police (GMP) to deliver the ambitions we set out in the Greater Manchester Strategy.
- 1.3. This paper provides an update on the recommendations approved in the last Resources Committee paper and seeks the Committee's endorsement and support for the direction of travel and next steps. The recommendations in this report are made in the context of evolutionary, thoughtful and opportunity-led change, taken in discrete steps so as not to put at risk our delivery activities.

2. Context

- 2.1. We are moving at even greater pace, since the last paper to Resources Committee only a few months ago, we have completed the roll out of Bus Franchising with our final, and largest tranche going live in January 2025, we are working hard to prepare for the Integrated Settlement from April this year.
- 2.2. On 16th December 2024 the Government published the English Devolution White Paper which was welcomed in GM, and we have committed to engaging with Government to pilot 'task and finish group' to explore the practical ways in which we can go further. The group, will explore: employment support; 16-19 skills; the alignment of housing and transport and expanding devolution and partnership working into areas such as business support and regional innovation funding – are all areas where we think rapid progress can be made.

- 2.3. Our refreshed Greater Manchester Strategy will be published in the next few months, supported by our 10-year Growth and Delivery Plan, these will clearly set out the scale and scope of what we need to deliver across the GM system so it is absolutely vital we set ourselves up to realise those outcomes.
- 2.4. The scale and complexity of what we are being asked to deliver is huge. In 2025/26 GMCA, including Police funding, will be a £3bn organisation. We are the largest Mayoral Combined Authority in England and we are leading the way in terms of English Devolution. The Government and other regions are looking to Greater Manchester and the West Midlands through our trailblazer deals to lead English Devolution and set the precedent for others. We need to make sure that we have the right people in the right roles to meet these challenges.

3. Need for integration

- 3.1. To successfully deliver real local devolution, we need to ensure we have the skills, capacity and mechanisms to deliver integrated policies, decisions, programmes and services that contribute to the outcomes in the GMS. The outcomes will be achieved through a combination of activities, that together achieve the best results at the best value. GMCA plays a pivotal role in convening our GM system and it requires strategic leadership and capability. At the same time our Corporate Services are essential to enable the system. We need some growth in both our delivery functions and our corporate services whilst at the same time driving efficiency and quality through our ways of working.
- 3.2. Whilst recognising some growth is needed, it is important that existing roles and talent are utilised fully within our group organisations to keep incremental costs to a minimum and achieve the commitment to phase out the levy paid by local authorities for GMCA corporate services over the next four years.

4. Progress since October 2024

- 4.1. Resources Committee and GMCA approved a number of recommendations in the October 2024 meeting:

- The changes that the GMCA approved in relation to delegations to me as Head of Paid Service to establish new and additional posts up to Deputy Chief Officer have been reflected in the GMCA Constitution.
- Steve Warrener has been appointed to the role of permanent Managing Director of TfGM.
- We have initiated a programme of work to review Corporate Services across the group to identify how we can work better and more efficiently and effectively together.

4.2. In addition, to progress our priorities around growth and delivery, a small number of changes have been made to senior leadership roles within GMCA. The responsibilities of the Director of Place role have been extended, renaming it Director of Sustainable Growth and Infrastructure. This important role will have the overarching functional responsibility to develop and oversee the 10-year GM growth and infrastructure pipeline. These extended responsibilities mean that the roll has been regraded from SM4 to SM3. At the same time, we have taken the opportunity to reevaluate a senior post within the Strategy team upon the retirement of a colleague and reduced its responsibilities, this has resulted in the role moving down a grade (from SM3 to SM4). The net effect of these changes means there are no additional resourcing costs.

5. Evolving the GMCA pay structure

5.1. In July 2022, Resources Committee authorised the previous GMCA Chief Executive to progress proposals to introduce a more modern, streamlined and progressive pay and grading structure for GMCA (non-operational workforce) for all roles above Grade 11. This was needed to ensure flexibility, fairness, transparency and

compliance with equality legislation as set out within the Equality Act 2010, in a way that had minimal impact on the budget and on the workforce.

- 5.2. In order to develop the pay and grading structure, benchmarking was conducted on public sector pay, including GM Local Authorities' pay and grading structure.
- 5.3. The structure was based on the LGA Job Evaluation scheme and comprises 7 grades, SM7 to SM1 with SM1 being the most senior - defined as the joint Chief Executive Officer (GMCA and TfGM). At the time, the most senior roles (SM3, SM2 and SM1) were excluded from the benchmarking exercise and remained on spot salaries.
- 5.4. Grades SM7-SM4 each contain pay progression with 5 equal spinal column points. Based on 2024/25 pay scales, the following salaries are associated with each of those grades.

Scale Point	Grade	Annual Salary
53	SM7	£64,658.16
54		£65,856.02
55		£67,479.80
56		£68,892.75
57		£70,304.63
58	SM6	£71,604.72
59		£73,771.52
60		£75,938.33
61		£78,105.14
62		£80,271.95

Scale Point	Grade	Annual Salary
63	SM5	£81,572.03
64		£83,738.84
65		£85,905.64
66		£88,072.45
67		£90,239.26
68	SM4	£93,706.15
69		£96,955.83
70		£100,206.57
71		£103,456.25
72		£106,706.99

5.5. It is important to ensure that roles at the most senior levels of the organisation are equally and fairly benchmarked to provide transparency and objectivity in relation to determining their remuneration. This report therefore proposes to also include pay scales for grade SM3.

5.6. The pay scales for SM3 are proposed to be as follows:

Scale point	Grade	Annual Salary
73	SM3	£111,256.75
74		£116,674.31
75		£122,090.78
76		£127,508.34
77		£132,924.82

- 5.7. The 2022 paper also described progression for those grades. Progression Reviews are built into the system and take place at the 2nd and 4th scale points 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 scale point i.e. the 3rd and then the final SCP within the band. It is proposed that the same progression criteria is applied to the SM3 grade.
- 5.8. **Resources Committee is requested to endorse the inclusion of the proposed pay scales and progression criteria for SM3, in line with necessary consultations.**
- 5.9. There are a small number of other very senior, unique roles (for example the Group Chief Finance Officer) which have increased in scale, complexity and responsibilities since the postholders were appointed. Whilst bearing in mind affordability, it is absolutely vital that we are able to attract and retain the best talent in these senior roles to enable our ambitions.
- 5.10. Korn Ferry have been engaged to review these roles. Using benchmarking of public and not for profit organisations, their recommendation is that salaries for GMCA roles between SM3 and SM1 (so therefore SM2) be in the range of £145,163 to £185,457, depending on the responsibilities of each role. The most senior roles within the organisation will therefore be graded between SM1 and SM3.
- 5.11. **Resources Committee is requested to grant the Group Chief Executive the delegated authority to continue to work with Korn Ferry to ensure that these most senior posts are appropriately graded aligned to the relevant pay grade**

6. Roles working across the Group of organisations

- 6.1. The last report to Resources Committee outlined further opportunities for more integrated working at a GM system level, at a GMCA Group level and together with our Local Authorities. There are a number of key roles within GMCA that will enable these opportunities.

6.2. **Director of Strategy (Group)**

This role is essential to operate at Group level and drive our strategic thinking and planning across the GM system in order to achieve the ambitions set out in the GMS. The role will also be critical to developing and maintaining relationships across key stakeholders within central and local Government and across our stakeholders across the city region.

6.3. The key responsibilities of this role will include

- Shaping the future direction of devolution in Greater Manchester and negotiations with Government
- Leading devolution negotiations and the strategic framework for the allocation of Integrated Settlement resources in line with strategic objectives and for the Integrated Settlement outcomes framework
- Overseeing the development, delivery and monitoring of the Greater Manchester Strategy and the 10-year Growth and Prevention plan
- Lead and coordinate Government relations with Senior Civil Servants and coordinate GMCA engagement with sector partnerships

In addition, the role holder will have line management responsibilities for the Strategy, Research and analytical functions at GMCA.

6.4 The role represents an extension of the responsibilities of the existing Director of Strategy, Economy and Research post within GMCA.. It has been re-evaluated as an SM3 role and will be renamed Director of Strategy. Whilst it will continue to report to the Managing Director, GMCA it will form an important part of the Group Leadership Team.

6.5 **Resources Committee are requested to note the extended role of the Director of Strategy, Economy and Research, re-evaluated at grade SM3 to be called Director of Strategy.**

6.4. **Chief Transformation Officer (2-year fixed term contract)**

The previous Resources Committee paper highlighted the importance of developing the appropriate change and transformation skills within the senior leadership team.

We have since developed a role profile for a Chief Transformation Officer, that will report to the Group Chief Finance Officer.

- 6.5. The Chief Transformation Officer (CTO) is responsible for leading transformation and integration across the Group. This will include developing a consistent, strategic approach to transformation across the group; ensuring a culture of continuous improvement is in place; alignment between all transformation and change programmes; and leading the delivery of the Corporate Services change programme including the group approach to corporate services.
- 6.6. The post holder will lead a central transformation resource providing expert advice and support across the GMCA Group of GMCA, GMFRS and TFGM.
- 6.7. The pay and grading of this post will align to the GMCA Senior Pay Structure, at a grade SM3.
- 6.8. **Resources Committee are requested to recommend to GMCA the establishment of a 2-year fixed term Chief Transformation up to grade SM3 (subject to job evaluation)**
- 6.9. Formal approval for the post will be sought from GMCA on 7th February 2025 as part of the Budget Paper.
- 6.10. **Organisational Development Support (interim support across all group organisations)**
- 6.11. This report is also seeking support for some interim Organisational Development support in a group-wide capacity to help me shape and frame my thinking around how we develop as a group whilst retaining the identity, purpose and independence of its constituent parts.
- 6.12. The immediate priorities for this role will be to progress our ambitions in relation to EDI, talent management, leadership, culture and values and our policies.
- 6.13. The role will sit as part of the Group Leadership Team for a period of 12 months. I will initiate an appropriate recruitment process to access the interim market and will be seeking a high-calibre, experienced individual. It is expected the cost of this support for 12 months will be in the region of £144k.
- 6.14. **Resources Committee endorsement is sought to proceed in securing interim support to progress Group Organisational Development priorities.**

7. Working differently to support key programmes

We are looking at ways to work differently to support our key priorities and programmes.

7.1. Growth Locations

7.2. To support the delivery of our Growth Locations we are proposing to use funding that we receive in a different way. Instead of passing smaller portions of revenue funding to local authorities for short-term consultancy work we will pool this funding and invest in fixed-term staff resource over a longer period of time, building capacity and capability in the system as well as pushing on with our pipeline and delivery ambitions. The post holders will be wholly seconded to the Growth Location they are appointed to and will report to the relevant Local Authority Chief Executive Officer(s), as well as collaborating with key regional and national stakeholders. Their key objective will be to ensure the successful delivery of complex major development projects that align with the agreed vision.

7.3. It may be these roles are fulfilled through interim or consultancy but in the event they are sought through fixed-term posts this report is seeking a provision to establish these posts within GMCA, on a grade up to SM3 (subject to role evaluation). Each post will be funded through grant funding and only appointed once that funding has been identified.

7.4. **Resources Committee support is requested to recommend to GMCA the establishment of seven fixed-term Senior Programme Director posts, up to grade SM3.**

7.5. Formal approval for the posts will be sought from GMCA on 7th February 2025.

7.6. Housing First

7.7. In September 2024, GMCA welcomed the launch of the Housing First Unit, and approved the Housing First vision for Greater Manchester. Critical to the success of Housing First unit is the co-production with partners of a 'Housing First roadmap' setting out the route to building a more effective housing system, focussing on three key pillars: Supply, Standards and Support. Leads have been established for each of these pillars but there is need for interim senior officer capacity to support this complex and cross-cutting programme. GMCA will seek interim resource to

support this programme.

8. Financial Implications

- 8.1. There are inevitably some costs associated with the increasing complexity and scale of the organisation, and to set GMCA up for the future as an employer of choice so that we can attract, develop and retain talent.
- 8.2. Resources Committee will recall that the last paper committed to phasing out the cost of running the GMCA organisation from the Local Authority levy. That phasing out will commence in 2025/26, with a £650k reduction in the levy charge to Local Authorities.
- 8.3. The financial implications of the recommendations in this paper are minimised by reviewing and regrading existing roles within the Combined Authority structure wherever possible or by using funding differently to build capacity and capability within our GM system that can be directed to where it is needed. The costs relating to interim or fixed term roles to progress our ways of working and organisational development activities are incorporated into 2025/26 budgets and funding for the Housing First and Growth Location roles will be through Housing Investment surpluses.