

Fair Pay

Pay Policy Statement for the financial year 2019/20

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Foreword

Fair Pay: A Pay Policy Statement for the North of Tyne Combined Authority

Good quality work is at the heart of what the North of Tyne Authority is here to deliver. Secure jobs, offering fair living wages, with opportunities for career progression and good terms and conditions should be available for everyone.

This is the North of Tyne's first Pay Policy Statement, covering 2019/20. It shows our commitment to openness and transparency in setting pay and grades for our staff, and our commitments on key issues such as the real Living Wage.

Our Pay Policy Statement provides a lens through which the North of Tyne Combined Authority can scrutinise issues of pay equality, including average salaries levels and gender pay gap reporting – and, crucially, act on any disparities identified.

We intend to set an example for other organisations to follow.

Jamie Driscoll
Elected Mayor, North of Tyne Combined Authority

1. Introduction

This Pay Policy Statement sets out the Combined Authority's policies for the financial year relating to: -

1. The remuneration of its Head of Paid Service;
2. The remuneration of all other employees; and
3. The relationship between the remuneration of its Chief Officers and all other Combined Authority employees

The statement also includes the Combined Authority's policies relating to:

1. The level and elements of remuneration for each Chief Officer
2. How that remuneration is dealt with on recruitment of Chief Officers
3. The approach to the payment of Chief Officers when ceasing to hold office by the Combined Authority, and;
4. The publication of and access to information relating to remuneration of Chief Officers.

This Pay Policy Statement also describes how the Combined Authority defines the term "lowest-paid employees" and why it has adopted that definition. In addition, it contains information about the median salary across the Combined Authority's salary range.

The Pay Policy Statement comprises a collation and summary of the Combined Authority's existing policies and data relating to the remuneration of its Chief Officers and lowest paid employees. It also contains information on the Combined Authority's Gender Pay Gap Analysis.

2. Purpose and Aim of Policy

This policy articulates the Combined Authority's pay arrangements which are designed to motivate and reward its employees to achieve high levels of performance in delivering services for the benefit of its communities and partners. The Policy is also intended to demonstrate the Combined Authority's wish to have pay arrangements that provide value for money, are transparent, fair and provide consistency and equality for its employees. It further supports our approach to staff engagement, with openness and transparency in respect of remuneration and financial reward at all levels of the organisation.

3. Scope and Data Protection

The Policy Statement includes remuneration details about the Combined Authority's Chief Officers and its other employees.

Employees are engaged on terms and conditions that are based on nationally determined terms and conditions for Head of Paid Services, Chief Officers and local government employees. The Policy Statement also makes reference to the Combined Authority's local pay and grading structures.

With regards to data protection, the information contained within the Policy does not engage the Data Protection Act as it does not concern data relating to a particular individual, unless the information is already in the public domain.

4. Employee Structure, Grades and Governance Arrangements

4.1 Chief Officers

Definition: –

The term Chief Officer means:

- a) The Head of Paid Service
- b) The Monitoring Officer
- c) Any Statutory Chief Officer which means-
 - the Section 73 Officer responsible for financial administration
- d) Any non-statutory Chief Officer, which means –
 - any Director or Senior Officer for whom the Head of Paid Service is directly responsible

It does not include any person whose duties are solely secretarial or clerical or otherwise in the nature of support services

Therefore, the term “Chief Officer” includes the following employees of North of Tyne Combined Authority:

- The Head of Paid Service
- 2 Directors
- 1 Monitoring Officer
- 1 Section 73 Officer

4.2 Senior Managers' Salary Scales

The senior management pay structure consists of 6 grades each of 3 incremental salary points. The grades are applicable to jobs above the NJC local government pay spine (as amended locally) and below that of Director.

The JNC and JNC for Chief Officers pay review date is 1 April each year.

Increments are granted on 1 April each year in accordance with the policy for NJC staff.

The Senior Management Pay structure is:

Table 1

Job Title	Level	Grade	SCP	SALARY
				01/04/2019
Lead Asst Director	6	SM6	3	£100,659.00
		SM6	2	£97,685.00
		SM6	1	£94,710.00
Asst Director	5	SM5	3	£91,508.00
		SM5	2	£88,842.00
		SM5	1	£86,254.00
Head of Service	3	SM3	3	£75,780.00
		SM3	2	£73,570.00
		SM3	1	£71,427.00
Principal Adviser	2A	SM2A	3	£68,248.00
		SM2A	2	£66,262.00
		SM2A	1	£64,331.00
Service Manager	2	SM2	3	£60,639.00
		SM2	2	£58,876.00
		SM2	1	£57,159.00
Senior Specialist/ Advisor	1	SM1	3	£53,955.00
		SM1	2	£52,388.00
		SM1	1	£50,857.00

*NB Job title is not necessarily an indicator of senior management pay grade.

4.3 Chief Officer and Deputy Chief Officer Job Titles, Pay Bands & Grade

Table 2

Job Title	FTE	Salary Range (£)	Grade/Pay Point
Head of Paid Service	0.2	Secondment	N/A
Director of Policy & Performance	1	£105,866 - £126,096	£105,866
Director of Economic Growth	1	£116,818 - £131,476	£126,096
Monitoring Officer	0.2	Secondment	SM5
Section 73 Officer	0.2	Secondment	SM5

4.4 Combined Authority governance arrangements for the appointment of all Chief Officers

The Combined Authority's Cabinet has responsibility for the establishment, deletion and authorisation of the pay and grading of new Chief Officer Posts. In addition, they are responsible for any Officer appointment where the salary threshold is above £100,000 per annum.

4.5 Combined Authority governance arrangements for the payment of all Chief Officers

All Chief Officers (with the exception of the Section 73 Officer and Monitoring Officer) are appointed to a spot salary within a three-point grade with no automatic right of progression. The specific incremental range for each post will be determined at the point of advertisement by the Combined Authority Cabinet and within the Directors' range. Any progression will be determined in line with the achievement of agreed objectives and a review of individual performance against these targets. Responsibility for progression within the grade is delegated to the Head of Paid Service in consultation with the Cabinet of the Combined Authority.

4.6 Senior Managers' Salary Scales – JNC Officers

The grades are applicable to jobs above the NJC local government pay spine (referred to as grades N1 to N11 below) and below Director level. Each grade has its own incremental steps each equating to approximately 3%.

The JNC and JNC for Chief Officers pay review date is 1 April each year. Increments are granted on 1 April each year for staff on grades SM1 to SM6 in accordance with the policy for NJC staff.

The Combined Authority uses the nationally recognised Hay job evaluation system to evaluate the pay and grading of JNC Senior Management posts in the organisation. Senior HR personnel are trained in the application of this evaluation system and retain confidential records of the decision-making process and supporting evidence. The underpinning rationale for the establishment of JNC Senior Management posts below Director are published on the Combined Authority's HR Intranet.

4.7 Pay Structure for Combined Authority Officers below JNC Senior Manager Level (Green Book NJC Employees)

All directly employed NJC Combined Authority Officers below JNC Senior Manager level have been evaluated using the Gauge job evaluation system and have been assimilated to one single pay and grading structure and occupy grades N1 to N11 as outlined in Appendix 1.

In 1997 each local authority was charged with reviewing its pay and grading practices to ensure they were "transparent" and free from gender bias. This was known as the "single status" process. The Combined Authority's pay and grading structure follows this guidance and uses job evaluation for determination of grades.

The Combined Authority has adopted a local spinal column of salary points. This is normally up-rated each year on 1 April following collective agreement by the National Joint Combined Authority on the annual pay claim. The Combined Authority's current pay structure comprises 11 grades N1 to N11.

4.8 Pay for Soulbury Officers

In addition to NJC employees a limited number of NTCA employees are covered by Soulbury terms and conditions of employment. Soulbury paid employees are the strategic, non-administrative advisors on education matters. They work with schools, local communities and other local authority employees to deliver core Government objectives for school improvement and to co-ordinate education and other children's services.

Soulbury Staff work in three distinct areas; Educational Psychology, Education Advisory Services and Adult Education; and to be appointed must fulfil criteria set down for Soulbury terms and conditions of employment.

The pay of staff employees under Soulbury Terms and Conditions is set and amended by the national Soulbury Committee in September of each year. The Combined Authority has adopted a locally agreed set of terms and conditions, which supplement the national agreement.

5. Median Salary

The median salary as of 1st September 2019 across the Combined Authority's salary range is £37,849 which represents the middle point across all salaries paid at the Combined Authority. The average median salary in the North East is £26,208 (Annual Survey of Hours and Earnings, Office for National Statistics 2017).

6. Mandatory Gender Pay Gap Reporting

All organisations who employ more than 250 employees are required to report gender pay gap information on an annual basis. The Combined Authority does not meet this threshold in terms of a 'mandatory reporting' requirement but has chosen to adopt the principles of reporting this data.

- The percentage difference in male and female pay on a mean and median basis
- The proportion of male and female employees in each pay quartile of the Combined Authority's pay distribution (where each quartile contains an equal number of employees)

Attached as Appendix 2 is an explanation of the Combined Authority's gender pay gap data analysis as of August 2019.

7. Lowest Paid Salary and Foundation Living Wage

The Combined Authority defines the lowest paid full-time equivalent salary in the organisation as the lowest Spinal Column Point within the local pay and grading structure of directly employed staff.

North of Tyne Combined Authority is looking to implement the Foundation or 'real' Living Wage for employees. This stemmed from a commitment by the Combined Authority's leadership to support good work and fair wages, as outlined in our Inclusive Economy Policy Statement. This means no North of Tyne Combined Authority employee will be paid less than the Foundation Living Wage.

The Foundation or 'real' Living Wage rate is reviewed annually in November.

8. Paying Market Supplements

Market supplements will only be considered when all other means of improving recruitment and retention have been exhausted. A market supplement is an additional payment to the basic salary of a post where the labour market pressures indicate a need for a supplementary increase in pay. Market supplements will only be considered in exceptional circumstances where a clear business rationale has been identified and the recruitment or retention issues are due to relative labour market pay.

Market supplements will be issued for a maximum 12-month fixed term period and the temporary, annually renewable nature of the payment will be made clear to the employee as part of their statement of terms and conditions.

A Director must submit a business case outlining the need for a market supplement and the supporting evidence for this decision. This must be authorised by the Head of Paid Service and the Monitoring Officer.

The business must contain the following:

- The number of posts affected
- All posts who are assigned to that job code
- The projected costs
- Risk analysis of the recruitment/retention scenario.

The decision to award or extend a market supplement will only be agreed where robust evidence is provided to substantiate the business case.

In order to defend any potential equal pay claim we must be able to justify any difference between work which is rated equivalent or of equal value. This difference needs to be genuinely evidenced through labour market forces and regular review.

A review of all market supplements will take place in time for a decision to be made before the end of the 12-month period. To ensure timescales are met, the review should start 9 months after the start date of the market supplement.

Should a decision be made to not award, extend a market supplement or extend at a reduced rate then the employee will be informed of this by their manager. There will be no right of appeal.

9. The Combined Authority's approach towards payment of Chief Officers ceasing to hold office or ending employment with the Combined Authority

The Combined Authority has an agreed policy in relation to all Combined Authority officers whose employment is terminated and ways that employment could come to an end including the following:

- Death in Service
- Dismissal
- Expiry of Fixed Term Contracts
- Managing a Workforce Reorganisation
- Redundancy
- Resignation
- Retirement

Our policies provide a clear, fair and consistent approach towards ending employment.

Payments to Chief Officers ceasing to hold office or ending their employment with the Combined Authority will normally be in line with the terms of their contract of employment and laid down by the NJC National Agreement for the employment of Chief Officers.

Redundancy payments are paid in accordance with the Combined Authority's Redundancy Scheme.

In relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales Regulations) 2006, the Combined Authority does not routinely utilise these Regulations to offer

discretionary compensation for relevant staff in the event of redundancy but utilises the established policy on Early Retirement/Voluntary Redundancy as the key determinant of severance levels.

10. Public Sector Exit Payments

The Combined Authority awaits the introduction of this legislation and will amend its HR policies and published guidance if needed.

11. Member Allowances & Expenses

Members of Cabinet will be governed by the existing rules on allowances and expenses relating to their own constituent Authority. The Elected Mayor and Chair of the Audit and Standards Committee will be able to claim expenses in line with the following arrangements.

Members of Cabinet will be governed by the existing rules on allowances and expenses relating to their own constituent Authority when undertaking duties associated with their North of Tyne Combined Authority roles.

The Elected Mayor and the Chair of the Audit and Standards Committee are entitled to claim expenses. However, the current Chair of Overview and Scrutiny Committee is an elected member of Northumberland County Council so will claim their expenses under the procedures and conditions of that Council.

The people carrying out the above roles will be able to claim expenses in line with the following arrangements:

Annual Allowance

- An annual allowance of £65,000 be payable to the Elected Mayor of the North of Tyne Combined Authority
- The allowance of the North of Tyne Combined Authority Mayor be reviewed by the Independent Remuneration Panel in one year's time, with a recommendation to be reported back to the Combined Authority Cabinet at the appropriate time
- An annual allowance of £1,000 be payable to the Independent Chair of Audit and Standards Committee
- The Chair of the Audit and Standards Committee and the Mayor would be entitled to travel/subsistence allowances on the same basis as officers.
- The Chair of the Overview and Scrutiny Committee is a member of one of the local authorities, not an independent member, and so does not receive any allowance.

Travelling and Subsistence

Travel

A. Car

- a) Mileage at a rate of £0.52 per mile, such rate to be increased in accordance with any increase of Inland Revenue maximum allowance.
- b) A supplement for official passengers at a rate of £0.05 per mile per passenger.

Note 1 The rate shall be the same whatever the type of fuel used (including petrol, diesel and LPG)

Note 2 Members should only use cars for longer journeys where it is reasonable or more efficient to do so.

- c) Reimbursement of car parking charges subject to receipts or tickets being submitted where possible.

B. Train

- a) standard class ticket unless there are special circumstances in which a first-class ticket would be more cost effective.

Subsistence

A. Accommodation for overnight absence

- a) The cost of accommodation at a minimum 3* hotel. Accommodation should be booked via the Travel Office.

Note 3 A member will be reimbursed the cost of such accommodation subject to a receipt being provided.

B. Daily allowances

- a) up to £10 per day for an absence of up to four hours away from the normal place of residence.
- b) up to £20 per day for an absence of four to eight hours away from the normal place of residence.
- c) up to £30 per day for an absence of more than eight hours away from the normal place of residence.

Note 4 Reimbursement will only be made upon the production of receipts showing the expenditure that had been incurred on subsistence by the councillor or co-optee.

12. Future Potential Recommendations

Future pay policy recommendations will continue to be underpinned by the principles of public sector delivery and a commitment to fairness; and this Pay Policy Statement is an evolving document that will continue to be developed and be responsive to the emerging position regarding remuneration. A strategic approach to pay and rewards is adopted by the Combined Authority to ensure we can recruit and retain appropriate staff and drive service improvement.

Any NJC pay proposals negotiated between national employers and the collective trade unions would alter the current pay spine and would need to subsequently be reflected in the current payscales. The Combined Authority's Pay Policy will be amended to reflect any agreed changes as and when these are agreed through negotiation.

As we continue to develop new ways of working and innovative working

arrangements, we will capture these in our family friendly/work life balance policies and salary sacrifice schemes, which enhance the non-salary elements of our staff benefits offer.

13. Trade Union Consultation

The Combined Authority acknowledges and welcomes the role that the Trade Unions play in working with us to build a strong industrial relations climate and we are committed to working in partnership with the Trade Unions. Therefore, in the event that the Combined Authority aims to change its existing local or national pay and grading arrangements we will consult with the recognised Trade Unions and fully involve them through communication, consultation and negotiation around remuneration policies.

14. Evaluation and Review

This Pay Policy will be subject to evaluation and further review by the Combined Authority in line with each new financial year.

N1 to N11 Pay Structure

Appendix 1

Pay Group	SCP	01/04/2019
N01	1	17364.00
N02	2	17711.00
N03	3	18065.00
N03	4	18426.00
N04	5	18795.00
N04	6	19171.00
N04	7	19554.00
N04	8	19945.00
N05	13	22021.00
N05	14	22462.00
N05	15	22911.00
N05	16	23369.00
N05	17	23836.00
N06	20	25295.00
N06	21	25801.00
N06	22	26317.00
N06	23	26999.00
N06	24	27905.00
N07	25	28785.00
N07	26	29636.00
N07	27	30507.00
N07	28	31371.00
N07	29	32029.00
N08	30	32878.00
N08	31	33799.00
N08	32	34788.00
N08	33	35934.00
N08	34	36876.00
N09	35	37849.00
N09	36	38813.00
N09	37	39782.00
N09	38	40760.00
N10	39	41675.00
N10	40	42683.00
N10	41	43662.00
N10	42	44632.00
N10	43	45591.00
N11	44	46561.00
N11	45	47546.00
N11	46	48549.00
N11	47	49575.00

GENDER PAY GAP ANALYSIS

Background

In general terms, the gender pay gap is a measure of disparity in pay between the average earnings of males and females in the same organisation. This is separate to the issue of equal pay which refers to differences in pay between males and females for work which is rated equal. The North of Tyne Combined Authority is still amid recruiting to its agreed establishment therefore a 'snapshot date' of 1st September 2019 has been used for the exercise of the Gender Pay Gap analysis. In future the Combined Authority will mirror the Local Authority date of 31st March each year as the Gender Pay Gap reference date for reporting purposes.

What do we report on?

Mean Gender Pay Gap – The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

Median Gender Pay Gap – The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

Quartile Pay Bands – The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands. (this aspect of reporting has not been used for the Combined Authority due to the limited numbers of employees in the reference group(s)).

Note: The Combined Authority does not pay bonuses.

Definitions

Mean – Average (sum of hourly rates/number of employees)

Median – Middle value of an ordered set of data

North of Tyne Combined Authority Gender Pay Gap Figures

Below are the mean and median pay gaps for North of Tyne Combined Authority:

Mean - Woman's hourly rate is £21.42 whilst the male hourly rate is £17.39 giving a GPG of - 23.23%

Median – Woman's hourly rate is £19.62 whilst the male hourly rate is £19.62 giving a GPG of zero%

At the 'snapshot' date for the above data, the Combined Authority only employed 14 staff with 66% of these being female therefore the gender pay gap analysis is unlikely to be a fully representative sample of the organization when fully established.

Proportion of Men and Women Receiving Bonuses

North of Tyne Combined Authority does not operate any performance related pay or bonus schemes and therefore has no bonus gender pay gap.

Summary

We are totally committed to equal pay and a single status pay arrangement is in place for the Combined Authority to ensure we rate and pay jobs objectively and fairly, according to relative value. Our job evaluation process means we have a fair and transparent means of paying staff regardless of gender and we support the maintenance of a Foundation Living Wage, ensuring the gap between our highest and lowest paid employee is minimised.