

Fair Pay

Pay Policy Statement for the financial year 2023/24

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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 Pay Policy Statement, covering 2023/24. 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 Service¹
- b) The Monitoring Officer²
- c) Any Statutory Chief Officer which means-
 - the Section 73 Officer responsible for financial administration³
- 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
- 1 Director
- 1 Monitoring Officer
- 1 Section 73 Officer
- 3 Heads of Service

¹ As defined in section 4(1) of the Local Government and Housing Act 1989. At NTCA the Chief Executive is the designated Head of Paid Service.

² As defined in section 5(1) of the Local Government and Housing Act 1989;

³ Section 73 refers to Section 73 of the Local Government Act 1985. Position also referred to as the Chief Finance Officer.

4.2 Senior Managers' Salary Scales

The senior management pay structure consists of 7 grades each of 3 incremental salary points. The grades are applicable to jobs above the NJC local government pay spine (as amended locally).

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 for 2023 is:

Table 1

				Grade	SCP	SALARY	MONTHLY
Principal Manager	1			SM1	1	£56,889	£4,741
				SM1	2	£58,541	£4,878
				SM1	3	£60,233	£5,019
Principal Adviser	2			SM2	4	£71,433	£5,953
				SM2	5	£73,516	£6,126
				SM2	6	£75,661	£6,305
Head of Service	3			SM3	7	£79,092	£6,591
				SM3	8	£81,405	£6,784
				SM3	9	£83,790	£6,983
Asst Director	4			SM4	10	£95,096	£7,925
				SM4	11	£97,889	£8,157
				SM4	12	£100,767	£8,397
Director 1	5			SM5	13	£116,266	£9,689
				SM5	14	£128,086	£10,674
		Director 2		SM5 / SM6	15	£138,102	£11,509
				6	SM6	16	£143,910
Director 3	7				SM6 / SM7	17	£149,446
				SM7	18	£155,116	£12,926
				SM7	19	£160,788	£13,399

*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 (Chief Executive)	1.0	£149,446 - £160,788	N/A
Monitoring Officer	0.2	Secondment	SM4
Section 73 Officer	0.8	Secondment	Director 1
Director Policy and Performance	1.0	£116,266 - £138,102	Director 1
Head of Skills and Economic Inclusion	1.0	£95,096 - £100,767	SM4
Head of Strategy and Innovation	1.0	£95,096 - £100,767	SM4
Head of Economic Delivery	1.0	£79,092 – £83,790	SM3

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 and Deputy Chief Officer Posts.

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 and be 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 with the Head of Paid Service.

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 Director 3 in accordance with the policy for NJC staff.

The Combined Authority uses the nationally recognised Local Government Association (LGA) Senior Manager job evaluation system to evaluate the pay and grading of JNC Senior Management posts in the organisation. The Authority 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.

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. There will be a new pay scale effective from 1 April 2022, but this has not yet been agreed. Negotiations at a national level are continuing but agreement has not yet been reached. Any increase will be back dated to 1 April 2022 when agreed.

5. Median Salary

The median salary as of 1 April 2022 across the Combined Authority's salary range is £44,539. This represents the middle point across all salaries paid at the Combined Authority. The average median salary in the North of Tyne is £30,502 (Annual Survey of Hours and Earnings, Office for National Statistics 2022).

6. 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, as a commitment to ensuring equality in pay for men and women, reviews the median gender pay⁴ gap on 31st March each year.

The data for this reference period is as follows:

For the year 2022/23, the median hourly rate for women was £22.56 whilst the median hourly rate for men was £23.09 giving a median gender pay gap of 2.30%

⁴ The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

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

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.

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 a Foundation Living Wage employer, this demonstrates its commitment to support good work and fair wages, as outlined in its Inclusive Economy Policy Statement. This means no North of Tyne Combined Authority employee is 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.

The Combined Authority may also award discretionary payments in line with the Recognition Payment Policy.

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

Following revocation of the £95,000 cap on public sector exit payments in February 2021, further detail has not yet been provided on the reintroduction of different legislation to cap or place additional limits on certain public sector exit payments.

11. Contracts for Services and IR 35

In some circumstances, for example where there is a need for interim support to provide cover for a substantive post, the Authority will consider if it is necessary to engage individuals with reference to the Combined Authority's Short-Term Vacancy Policy.

Individuals are sourced through an appropriate process, ensuring that the Authority is able to demonstrate the maximum value for money in securing the relevant service.

In accordance with the IR35 rules which determine off-payroll working rules for clients, workers and their intermediaries, where a worker is engaged via an intermediary personal service company, the responsibility for assessing their income tax and national insurance liability lies with the Authority, along with responsibility for deducting and paying the correct income tax.

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 pay scales. 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

1 April 2023				
GRADE	SCP	SALARY	MONTHLY	HOURLY
N1	2	22366	1863.83	11.593
N2	3	22737	1894.75	11.785
N3	4	23114	1926.17	11.981
N3	5	23500	1958.33	12.181
N4	7	24294	2024.50	12.592
N4	8	24702	2058.50	12.804
N4	9	25119	2093.25	13.020
N5	13	26873	2239.42	13.929
N5	14	27334	2277.83	14.168
N5	15	27803	2316.92	14.411
N5	16	28282	2356.83	14.659
N5	17	28770	2397.50	14.912
N6	20	30296	2524.67	15.703
N6	21	30825	2568.75	15.977
N6	22	31364	2613.67	16.257
N6	23	32076	2673.00	16.626
N6	24	33024	2752.00	17.117
N7	25	33945	2828.75	17.595
N7	26	34834	2902.83	18.055
N7	27	35745	2978.75	18.528
N7	28	36648	3054.00	18.996
N7	29	37336	3111.33	19.352
N8	30	38223	3185.25	19.812
N8	31	39186	3265.50	20.311
N8	32	40221	3351.75	20.848
N8	33	41418	3451.50	21.468
N8	34	42403	3533.58	21.979
N9	35	43421	3618.42	22.506
N9	36	44428	3702.33	23.028
N9	37	45441	3786.75	23.553
N9	38	46464	3872.00	24.083
N10	39	47420	3951.67	24.579
N10	40	48474	4039.50	25.125
N10	41	49498	4124.83	25.656
N10	42	50512	4209.33	26.182
N10	43	51515	4292.92	26.702
N11	44	52566	4380.53	27.246
N11	45	53637	4469.78	27.802
N11	46	54726	4560.51	28.366
N11	47	55840	4653.30	28.943