



Establishment Committee – annotated agenda as at 6pm 02/12

Date: FRIDAY, 3 DECEMBER 2021

Time: 1.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

1. **APOLOGIES**

Henry C

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF
ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes of the meetings held on 15th October and 16th November.

16th November meeting Minutes to follow

4. **OUTSTANDING ACTIONS - PUBLIC**

Report of the Town Clerk.

For Formal Decision

5. **2022/23 PAY POLICY STATEMENT**

Report of the Executive Director of Human Resources.

6. **CLS PILOT EXTENSION: PROCUREMENT & PROJECTS**

Report of the Target Operating Model Programme Director.

For Information

7. **SECURING TARGET OPERATING MODEL SAVINGS: 2021/22 PROGRESS,
UPDATE**

Report of the Chamberlain.

8. **EQUALITIES, DIVERSITY AND INCLUSION UPDATE**

Report of the Head of Equalities, Diversity and Inclusion.

To Follow.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

10a - Return to the Workplace – the Chief Operating Officer to be heard.

10b - Costs of Maternity, Paternity, Shared Parental, and Adoption Leave
Report of the Chief Operating Officer

11. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meetings held on 15th October and 16th November.

16th November meeting Minutes to follow

13. **OUTSTANDING ACTIONS - NON-PUBLIC**

Report of the Town Clerk.

14. **TARGET OPERATING MODEL - UPDATE ON PROGRESS**

Report of the Target Operating Model Programme Director.

15. **TOM AND GOVERNANCE REVIEW: CITY OF LONDON INDEPENDENT SCHOOLS**

Joint Report of the Head of the City of London Freemen's School, Head of the City of London School, Head of the City of London School for Girls, and Town Clerk and Chief Executive.

16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

17. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

18. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the meetings held on 15th October and 16th November.

16th November meeting Minutes to follow

19. **OUTSTANDING ACTIONS - CONFIDENTIAL**

Report of the Town Clerk.

For Formal Decision

20. **EQUALITY, INCLUSION AND DIVERSITY - TOM PROPOSALS**

Report of the Chief Operating Officer.

To Follow.

21. **HONORARIUM REQUEST**

Report of the Town Clerk and Chief Executive.

To Follow.

22. **RECRUITMENT PROCESS FOR THE EXECUTIVE DIRECTOR HUMAN RESOURCES AND DEPUTY TOWN CLERK ROLES**

The Chair and the Deputy Chair to be heard.

- a) Senior Officer Recruitment - Deputy Town Clerk & Chief Executive (Pages 157 - 162)

Report of the Town Clerk.

For Information

- b) Senior Officer Recruitment - Executive Director of Human Resources (Pages 163 - 166)

Report of the Chief Operating Officer.

23. **JCC - UPDATE**

The Chair to be heard.

24. **TOWN CLERK'S UPDATE**

The Town Clerk to be heard.

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

ESTABLISHMENT COMMITTEE Friday, 15 October 2021

Draft Minutes of the meeting of the Establishment Committee held at Guildhall on
Friday, 15 October 2021 at 10.30 am

Present

Members:

Tracey Graham (Chair)
Deputy Edward Lord (Deputy Chairman)
Randall Anderson
Deputy Keith Bottomley
The Revd Stephen Haines
Christopher Hayward
Deputy Jamie Ingham Clark
Jeremy Mayhew
Deputy Philip Woodhouse

Observers

Alderman Sir Charles Bowman
Karina Dostalova
Elizabeth Rogula
Giles Shilson (Chair - Bridge House Estates Board)

Officers:

John Barradell	- Town Clerk and Chief Executive
Angela Roach	- Assistant Town Clerk
Emma Moore	- Chief Operating Officer
Michael Cogher	- Comptroller and City Solicitor
Caroline Al-Beyerty	- The Chamberlain
Jan Davies	- Interim Executive Director – HR
Paul Double	- The City Remembrancer
David Farnsworth	- Chief Grants Officer & Director of City Bridge Trust
Janet Fortune	- Human Resources
Tracey Jansen	- Human Resources
Sonia Virdee	- Chamberlain's Department
Marion Afoakwa	- Human Resources
Peter Lisley	- Assistant Town Clerk
Ian Simpson	- Human Resources
Amanda Lee-Ajala	- Human Resources
Caroline Reeve	- Town Clerk's Department
Emma Cunnington	- Town Clerk's Department
Bruce Hunt	- Remembrancer's Department

1. **APOLOGIES**

Apologies for absence were received from Alderman Sir Charles Bowman, Henry Colthurst, Karina Dostalova, Deputy Kevin Everett, Deputy Elizabeth Rogula, Ruby Sayed, and Deputy Tom Sleigh.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **MINUTES**

RESOLVED – that the public minutes of the meeting held on 8th September 2021 be approved as an accurate record.

4. **OUTSTANDING ACTIONS REPORT**

The Committee received a Report of the Town Clerk which provided details of outstanding actions from previous meetings.

RESOLVED – that the Committee noted the Report.

5. **SECURING TARGET OPERATING MODEL SAVINGS: 2021/22 PROGRESS, UPDATE ON THE IDENTIFICATION OF PERMANENT SAVINGS.**

The Committee received a Report of the Chamberlain concerning Target Operating Model savings.

Members highlighted their concerns about the pace and effectiveness around securing permanent departmental TOM savings. Officers responded that a great deal of work was currently taking place and, as per the schedule outlined in the Report, Chief Officers would be coming through to the Establishment Committee and the Efficiency & Performance (Finance) Sub-Committee over the coming months to confirm the delivery of their department's permanent savings.

Officers assured Members that whilst this was a challenging period, the overall flightpath was on track. It was also emphasised that within the current 2021/22 F/Y, the savings will be delivered due to a hold on vacancies; in future years, the savings will be locked in thanks to the new permanent shape of the respective departments after TOM.

The Chamberlain added that, as per the table on page 20, the current TOM pending in-year vacancies savings of £2.8m, needed to be increased over the short-term, this will be a key focus at upcoming bilateral sessions with departmental Chief Officers.

The Chairman of the Efficiency & Performance Sub-Committee (who is also a Member of Establishment Committee) assured Members that E&P was also acutely aware of this vital challenge and will be focusing on this at its upcoming meetings.

The Chair thanked Officers for the Report and asked that further updates are brought to the next meetings of the Committee in December and January respectively.

RESOLVED – that the Committee noted the Report.

6. **TOM CLS PILOT - HR PROPOSALS TO ACHIEVE GREATER LOCAL DELEGATIONS**

The Committee considered a Report of the Chief Operating Officer concerning the Target Operating Model's (TOM) City of London School pilot.

Officers confirmed that Recommendation 2 in the Report asked Members to approve a roll out of the particular delegations concerning HR to all City of London institutions and departments (to commence in November 2021 until end of July 2022).

Officers and the Chair emphasised that today's Report concerned HR functions; the delegation of other enabling services, including Repairs & Maintenance and Procurement functions would be reviewed over the coming months by other Committees - this process would culminate in the spring.

RESOLVED - that the Committee:

- i) Noted the positive impact of the greater HR delegations being tested in the City of London School, City of London School for Girls and City of London Freeman's School as part of the TOM CLS pilot currently underway.
- ii. Endorsed the rollout of the particular delegations concerning HR within the wider CLS pilot to all CoL institutions and departments to commence in November 2021 until end of July 2022. The pilot will relate to:
 - starting point for external appointments
 - the starting point for internal acting ups into higher level positions;
 - incremental progression - additional awards where there is a justified business case, e.g. as a recognition of examination success related to the post and agreed as a development requirement;
 - honoraria payments up to the value of £2500
 - a temporary amendment to the delegations of the MFS Board to approve all requests for honoraria payments between £2500 and £7500 regardless of grade
 - all requests for honoraria payments proposed by Chief Officers over £7500 to be considered by the MFS Board and recommended to Establishment Committee for its agreement.

iii. A report will be made back to the Establishment Committee with a full evaluation of the pilot – both the HR delegations and the delegations relating to procurement, gateway approvals process and ways of working between the School and the Chamberlain's department - and any resulting recommendations in September 2022.

7. **EDI AND STONEWALL - UPDATE**

The Committee received a Report of the Chief Operating Officer concerning the key Equality, Diversity, and Inclusion activities. It also included the ongoing work towards the Stonewall Diversity Champions programme.

In response to a concern raised about the use of non-gendered pronouns, the Deputy Chair assured Members that no one would be upbraided if they addressed someone by an incorrect pronoun in genuine error. However, if someone deliberately and continuously ignored a person's wish to be addressed by a non-gendered pronoun, then that would require some form of corrective action.

The Chief Operating Officer informed the Committee that the post-TOM intention was that there would be four individuals assigned as part of the Equality, Diversity & Inclusion team within the wider HR Department - further details would be provided in due course.

RESOLVED – that the Committee noted the Report.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

9. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

The following items of urgent business were raised –

The Chair confirmed that the additional special meeting of the Committee had been moved from 11th to 16th November.

The Chair forewarned Members that the January 2022 Establishment Committee may exceed the regular 2-hour duration due to likelihood of a heavy, TOM focused, agenda.

10. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

11. **NON-PUBLIC MINUTES**

RESOLVED – that the non-public minutes of the meeting held on 8th September 2021 be approved as an accurate record.

12. **OUTSTANDING ACTIONS REPORT**
The Committee received a Report of the Town Clerk which provided details of outstanding actions from previous meetings.
13. **TARGET OPERATING MODEL - UPDATE ON PROGRESS**
The Committee received a Report of the Target Operating Model Programme Director concerning progress of the implementation of the TOM.
14. **SENIOR OFFICER RECRUITMENT - EXECUTIVE DIRECTOR OF HUMAN RESOURCES**
The Committee considered a Report of the Chief Operating Officer concerning the recruitment of a new Executive Director of Human Resources.
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A Question was raised in respect of the Staff Christmas Lunches.
16. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.
17. **CONFIDENTIAL MINUTES RESOLVED** – that the confidential minutes of the meeting held on 8th September 2021 be approved as an accurate record.
18. **OUTSTANDING ACTIONS**
The Committee received a Report of the Town Clerk which provided details of outstanding actions from previous meetings.
19. **REMEMBRANCER - TOM PROPOSALS**
The Committee considered a Report of the City Remembrancer.
20. **BRIDGE HOUSE ESTATES - TOM PROPOSALS**
The Committee considered a Report of the Managing Director of Bridge House Estates.
21. **GOVERNANCE REVIEW & TARGET OPERATING MODEL: INSTITUTIONS**
The Committee considered a Report of the Town Clerk and Chief Executive.
22. **STAFFING MATTER - LONDON METROPOLITAN ARCHIVE**
The Committee considered a Report of the Town Clerk and Chief Executive.
23. **HONORARIUM - TOWN CLERK'S DEPARTMENT**
The Committee considered a Report of the Town Clerk and Chief Executive.
24. **PAY AWARD UPDATE**
The Committee considered a Report of the Executive Director of Human Resources.

25. **TOM PROGRAMME - HR ORGANISATION DESIGN**

The Committee received a Report of the Executive Director of Human Resources.

26. **TOWN CLERK'S UPDATE**

The Town Clerk had no further update.

The meeting ended at 12.30 pm

Chairman

Committee Clerk:
john.cater@cityoflondon.gov.uk

DRAFT

ESTABLISHMENT COMMITTEE
Tuesday, 16 November 2021

Minutes of the meeting of the Establishment Committee held at Guildhall on
Tuesday, 16 November 2021 at 1.45 pm

Present

Members:

Tracey Graham (Chair)
Deputy Edward Lord (Deputy Chairman)
Randall Anderson
Deputy Keith Bottomley
Alderman Sir Charles Bowman
Deputy Kevin Everett
Christopher Hayward
Deputy Jamie Ingham Clark
Jeremy Mayhew
Ruby Sayed
Deputy Philip Woodhouse

Officers:

John Barradell	- Town Clerk and Chief Executive
Peter Lisle	- Assistant Town Clerk
Gregory Moore	- Town Clerk's Department
Lorraine Brook	- Town Clerk's Department
Emma Cunnington	- Town Clerk's Department
Caroline Reeve	- Town Clerk's Department
Michael Cogher	- Comptroller and City Solicitor
Caroline Al-Beyerty	- The Chamberlain
Bob Roberts	- Director of Communications
Dionne Corradine	- Chief Strategy Officer
Barbara Hook	- Corporate Strategy and Planning Manager
Charles Griffiths	- Bursar, City of London School
Roland Martin	- Headmaster, City of London Freeman's School
Emma Moore	- Chief Operating Officer

1. APOLOGIES

Apologies for absence were received from Henry Colthurst, The Revd Stephen Haines and Elizabeth Rogula.

It was noted that Karina Dostalova had resigned from the Court of Common Council and consequently, in light of the vacancy that this now generated on the Committee, the position would be advertised in the usual manner ahead of the December meeting of the Court of Common Council. The Chair conveyed her thanks, and those of the Committee, to Ms Dostalova for her contributions

since her appointment to serve on the Committee and wished her the very best for the future.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **MEMBER/OFFICER CHARTER**

The Committee considered a joint report of the Town Clerk and Chief Executive and the Comptroller and City Solicitor relative to the adoption of a proposed Member/Officer Charter which was set out before Members for consideration. It was noted that the proposed Charter had been based on the current version of the Member/Officer Protocol which was adopted by the Court of Common Council in 2006 and most recently reviewed and updated in April 2019.

Members commented on the importance of ensuring that high standards of behaviour were demonstrated at all times and maintained by Members given their position as holders of public office.

In response to a query about how the Charter would be rolled out to staff and Members, the Town Clerk and Chief Executive advised that, subject to approval by the Court of Common Council, the Charter would be rolled out in multiple ways to ensure that it was profiled as soon as possible. The Town Clerk's podcast and staff communication tools, along with staff induction arrangements, would be used to profile the Charter amongst officers. With regards to Members, a key point for implementation would be after the 2022 ward elections and during the Member induction period. Other forums in which to profile the Charter would also be explored such as the Chairmen's Suppers.

Resolved:- That the proposed Member/Officer Charter be approved, and, with the consent of the Policy and Resources Committee, a recommendation thereon be submitted to the Court of Common Council.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There were no urgent items.

6. **EXCLUSION OF THE PUBLIC**

Resolved: – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

7. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A question was raised in respect of the Member/Officer Charter and responded to by the Comptroller and City Solicitor and the Chief Operating Officer.
8. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.
9. **PROPOSALS FOR THE ORGANISATIONAL DESIGN OF THE DEPARTMENT OF THE DEPUTY TOWN CLERK AND CHIEF EXECUTIVE**
The Committee considered a report of the Deputy Town Clerk & Chief Executive relative to proposals for the organisation design of the Department of the Deputy Town Clerk & Chief Executive.
10. **CITY OF LONDON FREEMEN'S SCHOOL ORGANISATION DESIGN**
The Committee considered a report of the Headmaster of the City of London Freemen's School relative to the School's organisation design.
11. **CHAMBERLAIN'S DEPARTMENT ORGANISATION DESIGN**
The Committee considered a report of the Chamberlain relative to the Chamberlain's Department organisation design.
12. **TOM REVIEW: PILOT PROJECT AT THE 3 CITY OF LONDON SCHOOLS**
The Committee received a report of the Bursar of the City of London School relative to the pilot project at the three City of London Schools (TOM review).
13. **URGENT BUSINESS (CONFIDENTIAL): TOWN CLERK'S UPDATE**
The Committee received an update from the Town Clerk and Chief Executive.

The meeting ended at 3.44 pm

Chairman

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Agenda Item 4

PUBLIC ACTIONS		
Meeting Date	Item reference	Action
23/06/21	Item 8 (MENTAL HEALTH AND WELLBEING POLICY REVIEW)	In response to a query, officers confirmed that they would be returning with an update Report outlining metrics around the mental health and wellbeing of employees. This will also include information around the take up of mental health first-aid training. This will be submitted in January 2022

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Agenda Item 5

Establishment Committee	Dated: 3 December 2021
Subject: 2022/23 Pay Policy Statement	Public
Report of: Jan Davies, Executive Director of Human Resources	For Decision
Report author: Ian Simpson, Corporate HR, Town Clerk's Department	

Summary

The Localism Act 2011 requires the City of London Corporation to prepare and publish a Pay Policy Statement setting out its approach to pay for the most senior and junior members of staff for the succeeding financial year. This must be agreed each year by the full Court of Common Council. Preceding this, the Statements have been considered in previous years by the Establishment and Polkicy & Resurces Committees. In order to fit in with other commitments of your Committee in January, and the subsequent electoral cycle, the Statement is this year presented earlier than usual.

Statements have been produced each financial year since 2012/13. They are generally written to incorporate the requirements of the relevant legislation and its Government Guidance, but updated as relevant City of London pay information or policies change.

The Statement was altered in format last year following discussions with the now-Chair of your Committee, such that it divided its main sections into a "policy overview" and details of that policy's current implementation. That format has been followed again this year. It still, however, contains all the essential requirements that the legislation requires to be incorporated into the statutory Statement.

This report sets out the legislative requirements under which Pay Policy Statements are produced.

It should be noted that Pay Policy Statements are not, as such, a "statement on pay policies", but rather a narrowly defined legislative requirement spelling out clearly and transparently certain specificied current pay practices. As such they are required to be an "as is" statement, rather than a prediction of what will happen. Although the Statements in format have (legally) in their title the financial year following their date of publication, they are required to be an accurate statement of practice at the time of publication, not a prediction of what will or may happen over the succeeding 12 months.

The draft 2022/23 Pay Policy Statement is attached as an Appendix, along with a version of it showing tracked changes from the 2021/22 Statemnet as agreed by the Court in March.

Recommendations

Members are asked to agree the Pay Policy Statement for 2022/23 and recommend it to Policy and Resources Committee for agreement and forwarding to the Court of Common Council.

Main Report

Background

1. The requirement for local authorities to produce Pay Policy Statements was introduced under section 38(1) of the Localism Act 2011 (the Act). This states that “*A relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year*”. In the City Corporation’s case, it is a “*relevant authority*” only in its capacity as a local authority. However, and in general, the City has not tried to distinguish in its Pay Policy Statements its local-authority capacities from any of its other undertakings, other than where these are specifically excluded from the remit of the 2011 Act.
2. The aim of the Act is that authorities should be open, transparent and accountable to local taxpayers, and this advice is repeated or expanded upon in various pieces of Government guidance, and a Code of Recommended Practice for Local Authorities on Data Transparency, having statutory effect. The main themes of these are transparency, fairness and accountability. Pay Policy Statements should set out the authority’s approach to issues relating to the pay of its workforce, and in particular to the pay of its “Chief Officers” and the pay of its lowest paid employees.
3. Section 38 of the Act goes on to outline certain features which must be included within Pay Policy Statements.
 - Section 38(2) says that the Statements must set out the authority’s policies for the financial year relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of its chief officers and the remuneration of any other employees.
 - Section 38(3) says that the Statements must state the definition of “lowest-paid” employee adopted by the authority and its reasons for adopting that definition.
 - Section 38(4) says that the Statements must include the authority’s policies relating to the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of

performance-related pay and bonuses for chief officers, the approach to the payment of chief officers when they cease to be employed and the publication of and access to information relating to chief officers' remuneration.

4. The definition of "Chief Officers" given in the Localism Act (under section 43(2)) is that of the Local Government and Housing Act 1989, and incorporates the latter Act's definitions of both "Chief Officers" and "Deputy Chief Officers". This is a much wider definition than the conventional definition of "Chief Officer" used in the City Corporation (generally denoting a head of department) and also wider than that which governs posts included in our Senior Management Group.
5. Under the Local Government and Housing Act, a "Chief Officer" is
 - the authority's head of the paid service (the Town Clerk & Chief Executive, in the City Corporation's case),
 - any person who in general answers directly to the head of the paid service, and
 - any person (irrespective of whether they report directly to the head of the paid service) who in general is required to report directly to the authority itself or to any Committee or sub-Committee of the authority.

A "Deputy Chief Officer" under the Act is anyone who reports directly to any person defined as a Chief Officer.

6. The only employees who could be caught by any of these definitions who are excluded from them under the 1989 Act are those employees engaged principally in clerical or secretarial support, or who are responsible for other support services.
7. The 1989 Act applies to the City only in its capacities as a local authority, police authority and port health authority. However, in keeping with the commitment to wider transparency in our Pay Policy Statements, the basic definitions of "Chief Officer" and "Deputy Chief Officer" given in the 1989 Act have been applied in our Pay Policy Statements to all relevant employees of the City Corporation, irrespective of the capacity or capacities they work under, other than where their duties are specifically excluded from the provisions of the Localism Act.
8. The Localism Act makes supplementary provisions relating to Pay Policy Statements in its section 39. This says that the authority's Pay Policy Statement must be approved by a resolution of the authority by the 31 March before the financial year to which it relates, that the Statement may (again by resolution of the authority) be subsequently amended after the beginning of the financial year, and that, as soon as is reasonably practicable after its approval or amendment, the Statement must be published on the authority's website.

9. The general notion of the Act in relation to the Statements is that *“the Act’s provisions will ensure that communities have access to the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility. In addition, the provisions will ensure that policies on the pay and reward of the most senior staff are set out clearly within the context of the pay of the wider workforce”*.

Current Position - City of London Pay Policy Statement 2022/23

10. A draft Pay Policy Statement for 2022/23 is attached. This is required to be approved by the Establishment and Policy & Resources Committees before being forwarded to the full Court of Common Council. It follows the format of last year’s Statement, in that its main sections (after an introduction covering the legislative requirements in producing Statements) are now divided into a Policy Overview (Paragraphs 7-31), giving the background to policies relevant to the statutory requirements of Pay Policy Statements, and an account of Policy Implementation (Paragraphs 33-50), giving the current position of how such policies are implemented.
11. A version showing tracked changes from the 2021/22 Statement as approved by the Court in March is also attached, such that Members can see at a glance where changes have been made. These include where figures and other statistical information have been changed within various tables that appear in the Statement.
12. It should be noted that a Pay Policy Statement is not, as such, a “statement on pay policies”, giving an account of all matters connected with remuneration in local authorities, but the putting into practice of a narrowly defined legislative requirement. The information presented by this statutory requirement has to be clear and accessible, and it is in keeping with that requirement to ensure that extraneous material is kept to a minimum.
13. In keeping with this, Pay Policy Statements are also meant to be an accurate account of current pay practices. These may change over the course of the year covered by the Statement, but it is not the job of the Statement to make predictions on this. Legislation allows Statements to be changed as policy or practice alters over the year, but until it does the Statement should reflect what is the current situation.

Conclusion

14. To meet the requirements of the Localism Act, the City Corporation must agree and publish a Pay Policy Statement before each financial year. This report introduces for approval the draft Statement for 2022/23 and recommends its forwarding to the Policy & Resources Committee and Court of Common Council for the further necessary approvals.

Appendices

Appendix 1: Draft Pay Policy Statement 2022/23

Appendix 2: Draft Pay Policy Statement 2022/23 showing tracked changes from 2021/22

Ian Simpson, Pay and Grading Manager, Corporate HR, Town Clerk's Department

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CITY OF LONDON CORPORATION
PAY POLICY STATEMENT 2022-2023

LEGISLATIVE OVERVIEW

1. Section 38(i) of the Localism Act 2011 (the Act) has required local authorities since the financial year 2012-2013 to produce a Pay Policy Statement in advance of each financial year. The Act requires local authorities to set out in their Statements their policies on a range of issues, particularly those relating to remuneration for their most senior and lowest-paid staff. This must include significant information on pay and reward for Chief Officers (as defined in the Local Government and Housing Act 1989). The Statement must be reviewed annually and agreed by “*a resolution of the authority*”, in the City of London Corporation’s case by the Court of Common Council. This document meets the requirements of the Act for the City of London Corporation for the financial year 2022-2023.
2. The provisions of the Act require that authorities are more open about their local policies and how local decisions are made. The Code of Recommended Practice for Local Authorities on Data Transparency enshrines the principles of transparency and asks authorities to follow three principles when publishing data they hold: responding to public demand; releasing data in open formats available for re-use; and releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.
3. The Act applies to the City of London Corporation only in its capacity as a local authority. It should be noted that not all of the pay and employment costs incurred by the City of London Corporation are carried out in this capacity, or even funded from public resources. As well as having statutory local authority functions, the Corporation undertakes other public functions, such as those of a police authority and of a port health authority. It also has private and charitable functions which receive funding through income from endowment and trust funds, and the pay and employment costs of these functions are met from these funds and are outside the scope of the Act.
4. In general, and in keeping with the spirit of openness, this Statement does not try to distinguish between information which applies to the City Corporation as a local authority and that which applies to it in any of its other capacities. However, insofar as the Act specifically excludes police authorities from its remit, this Statement does not include information about Police Officers.
5. Likewise, paragraph 7 of the Government Guidance for authorities on “*Openness and accountability in local pay*” (which has statutory effect under s40 of the Act for authorities in the preparation of their Pay Policy Statements) advises that “*The provisions in the Act do not apply to the staff of local authority schools and therefore teaching staff need not be brought within the scope of a pay policy statement*”. The City of London Corporation does not directly manage any local authority schools, but it does directly run three independent schools, and while some information about the remuneration of the teaching staff in these schools is provided in the Statement, in general the Statement follows the Government Guidance and leaves teaching staff outside of its scope.

6. The Act does not require authorities to publish specific numerical data on pay and reward in their Pay Policy Statement. However, information in this Statement should fit with any data on pay and reward which is published separately. The City Corporation operates consistent pay policies which are applied across all of its functions. Further details of the current Grade structures and associated pay scales are provided below in the section on "Policy Overview" (paragraphs 11-17) and "Policy Implementation" (paragraphs 32 and 36-43).

POLICY OVERVIEW

Background and fundamental rationale

7. All pay and terms and conditions of service are locally negotiated with the Corporation's recognised trade unions or staff representatives. In 2006-2007 extensive work was undertaken on a review of pay and grading structures. As a result, the principles set out in the guidance to the Act have already generally been addressed although the Act set out some additional requirements which are covered by this Statement.
8. In 2007, the Corporation implemented a number of core principles, via collective agreement, to form the City Corporation's pay strategy. This now focusses on a balance between incremental progression, individual performance and contribution to the success of the organisation. The main body of City Corporation employees are paid according to a Grade structure of 10 Grades (Grades A-J), with the most senior posts in a separate Senior Management Grade. Both the A-J Grades and the Senior Management Grade retain incremental progression, but this has since 2007 been determined by performance measured through appraisal over the year 1 April - 31 March. In 2020 and 2021, on account of the operational difficulties arising from the pandemic, this policy was waived for the year, such that failure to progress incrementally was by exception rather than through measured performance.
9. The provisions made in the 2007 pay review gave employees in Grades D-J and the Senior Management Grade access to "Contribution Payments" if the employees were at the top of their respective Grades. In years when these payments are in operation, achievement of them is also determined by appraisal over the same 1 April - 31 March time period. The payments are not contractual and are therefore made at the employer's discretion. In 2021, no Contribution Payments were made.
10. All incremental progressions are implemented from 1 October following the ending of the appraisal year, and Contribution Payments earned from appraisal are (when made) paid in the same October. In general, a fundamental element of the strategy is that achievement of payments related to performance is more onerous and exacting the more senior the member of staff.

Grading structure

11. All non-teaching staff employed by the City Corporation below the Senior Management Grade are allocated to one of the 10 A-J Grades, other than in a small number of exceptional cases, such as Apprentices. All such posts were reviewed under Job Evaluation, ranked in order and allocated to a Grade following the 2007 Review. The

evaluation scheme was independently equalities-impact assessed to ensure that it was inherently fair and unbiased. New posts and any existing posts that change their levels of responsibility etc. continue to be evaluated and ranked under the scheme. The scheme, how it is applied, the scoring mechanism and how scores relate to Grades are published on the Corporation's Intranet, so staff can be assured that the process is fair and transparent. In addition, there is an appeal mechanism agreed with the recognised trade unions and staff representatives.

12. Grades A-C are the lowest Grades in the City of London Corporation. Grade A has 3 increments and Grades B and C have 6 increments, and progression through each Grade can be achieved by annual incremental progression, subject to satisfactory performance. There is no Contribution Pay assessment. However, employees at the top of these Grades have the opportunity if they have undertaken exceptional work to be considered for a Recognition Award, up to a maximum level set corporately each year (this has been £500 in each year since 2010).
13. Grades D-J have 4 'core' increments and 2 'contribution' increments. Progression through the 4 'core' increments is subject to satisfactory performance. Progression into and through the 2 'contribution' increments can require performance to be at a higher than satisfactory level. Once at the top of the scale, for those who achieve the highest standards of performance and contribution, it is possible (subject to the employer's discretion in any given year) to earn a one-off non-consolidated Contribution Payment of up to 6% of basic pay depending on the assessed level of contribution over the previous year. The appraisal system recognises four levels of performance - Improvement Required, Good, Very Good and Outstanding, and those employees at the top of Grades D-J who achieve either of the top two ratings can (in years when the system is authorised to operate) receive a Contribution Payment.
14. A separate performance-payment scheme is in place for a small group of employees at the Barbican Centre engaged in commercial activities. These staff may receive payments of up to £4,000 or £6,000 per annum, depending on Grades and their success in meeting certain performance targets. The staff involved are excluded from the Recognition Awards and Contribution Payments schemes applying to other employees on their Grades.
15. The Senior Management Grade comprises the most senior roles in the organisation, as determined by Job Evaluation. Posts on the Senior Management Grade (SMG) are those which are the professional lead for a significant area of City Corporation business, with the nature of the professional responsibility held being that the postholders are not only directing the function for which they are responsible towards meeting corporate strategic goals but are required to determine from their professional point of view how these corporate goals should be constructed. As the SMG posts are distinct roles, they are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the Grade, which incorporates market factors as well as corporate importance. Any increase in salary (whether through incremental progression or a cost-of-living award) is entirely dependent on each individual being subject to a rigorous process of assessment and evaluation, based on the contribution of the individual to the success of the organisation. SMG posts are not necessarily the best-paid in the organisation,

as other posts in Grades I and J may be better paid than some SMG posts, depending on the separate market supplements applied to the Graded posts.

16. Following approval by the Court of Common Council of a new Target Operating Model and Organisation Design, the Senior Management Grade will, from 1 April 2021, comprise the following posts:

- Town Clerk & Chief Executive
- Deputy Town Clerk & Chief Executive
- Chief Operating Officer
- Chamberlain & Chief Financial Officer
- Comptroller & City Solicitor
- Remembrancer
- City Surveyor & Executive Director, Property
- Executive Director, Community & Children's Services
- Executive Director, Environment
- Executive Director, Innovation & Growth
- Executive Director, Human Resources
- Assistant Town Clerk & Executive Director, Governance & Members' Services
- Executive Director, Communications & External Affairs
- Chief Strategy Officer
- Executive Director & Private Secretary to the Lord Mayor
- Executive Director & Private Secretary to the Chair of the Policy and Resources Committee
- Managing Director, Barbican Centre
- Managing Director, Bridge House Estates
- Principal, Guildhall School of Music & Drama
- Open Spaces Director

17. The Head Teachers of the City of London School, City of London School for Girls and City of London Freemen's School are not part of the Senior Management Grade for the purposes of pay (their pay is governed by a separate senior teaching pay scale, as outlined in paragraph 5). The pay of the post of Remembrancer is aligned to Senior Civil Service pay scales at Senior Civil Service Grade 3 (SCS 3)

18. Following the principles outlined above, the pay ranges for the Senior Management Grade were set with reference to both job evaluation and an independent external market assessment. The principles of this were agreed by the Court of Common Council in 2007 and, subsequently, the specific unique range for each senior management post was agreed by the Establishment Committee in October 2007, subject to alteration thereafter when the duties or responsibilities of posts or other external factors relevant to their pay and reward change.

Other contractual payments

19. In addition to basic salary, all Graded staff are paid a London Weighting allowance which varies depending on where they are based and whether they are supplied by

the employer with residential accommodation necessary for the purposes of fulfilling the duties of their job. This is to assist staff with the higher cost of living and working in London.

20. As most of the work of the organisation is undertaken in the City of London, there are some types of posts which are difficult to recruit to (e.g. lawyers, IT staff etc.). Accordingly, there is often the need to use market supplements to attract, recruit and retain highly sought-after skills. These, where used, can be applied to employees in Grades A-J. Any request for a market supplement must be supported by independent market data and is considered by a panel of senior officers and, where appropriate depending on the amount proposed to be paid and the Grade of the post, by the Establishment Committee. All market supplement payments are kept under regular review, and regular reports on payments made are produced for the Establishment Committee.
21. The London Living Wage (LLW) has been applied as a minimum rate for all directly employed staff, including Apprentices, since April 2017. Casual staff and agency workers have also been paid the London Living Wage since 2014. Until 2018, LLW increases were applied from 1 April each year in line with the most recently announced LLW increase. However, in October 2018, the City Corporation's Policy & Resources Committee agreed that LLW increases should be applied in this and future years to affected employees and other staff from the date of the increase's announcement, which in 2021 was on 15 November (an increase of 1.84%).
22. The Establishment Committee has specific authority to deal with or make recommendations to the Court of Common Council where appropriate on all matters relating to the employment of City of London Corporation employees where such matters are not specifically delegated to another Committee. These matters include the remuneration of senior officers. The Establishment Committee has delegated this to its Senior Remuneration Sub-Committee.

Transparency

23. The Government guidance to the Act (which has statutory effect) requires the Pay Policy Statement to make reference to policies in relation to staff leaving the authority, senior staff moving posts within the public sector, senior staff recruitment, and re-employment of senior postholders who have left the authority, particularly in relation to arrangements which might be made in such an event that would appear to have the intention of minimising tax payments made by the re-engaged former employee.

Recruitment

24. New staff, including those in the Senior Management Grade, are normally appointed to the bottom of the particular pay scale applicable for the post. If the existing salary falls within the pay scale for the post, the new employee is normally appointed to the lowest point on the scale which is higher than their existing salary provided this gives them a pay increase commensurate with the additional higher-level duties. In cases where the existing salary is higher than all points on the pay scale for the new role, the member of staff is normally appointed to the top of the pay scale for the role.

For posts where the salary is £100,000 or more, the following approvals will be required:

- (i) in respect of all new posts, the Court of Common Council;
- (ii) in respect of all existing posts, the Establishment Committee.

Payments on Ceasing Office

25. Staff who leave the City Corporation, including the Town Clerk & Chief Executive and staff on the Senior Management Grade, are not entitled to receive any payments from the authority, except in the case of redundancy or retirement as indicated below.

Retirement

26. Staff who contribute to the Local Government Pension Scheme who retire from age 55 onwards are able to elect to receive immediate payment of their pension benefits on a reduced basis in accordance with the Scheme.

27. Unreduced benefits are payable if retirement is from Normal Pension Age, with normal pension age linked to the State Pension Age from 1 April 2014, unless protections in the Pension Scheme allow for an earlier date. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme following dismissal on redundancy or business efficiency grounds from age 55 onwards and on grounds of permanent ill-health at any age.

28. Whilst the Local Government Pension Scheme allows applications for flexible retirement from staff aged 55 or over, where staff reduce their hours or Grade, it has in general been the City Corporation's policy to agree to these only where there are clear financial or operational advantages to the organisation. Benefits are payable in accordance with Regulation 27 of the Local Government Pension Scheme Regulations 2013.

Redundancy

29. Staff who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on a week's pay (currently a maximum of £544 per week). The City Corporation currently bases the calculation on 1.5 x actual salary. This scheme may be amended from time to time subject to Member approval, and has most recently been so amended for staff made redundant on or after 25 October 2017. The authority's policy on discretionary compensation for relevant staff under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 is published on the Corporation's website.

Settlement of potential claims

30. Where a member of staff leaves the City Corporation's service in circumstances which would, or would be likely to, give rise to an action seeking redress through the courts from the organisation about the nature of the member of staff's departure from the Corporation's employment, such claims may be settled by way of a settlement agreement where it is in the City Corporation's interests to do so based on advice from the Comptroller & City Solicitor. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Should such a matter involve the departure of a member of staff

in the Senior Management Grade or the Town Clerk & Chief Executive, any such compensation payment will only be made following consultation with the Chairs of Policy & Resources and Establishment Committees and legal advice that it would be legal, proper and reasonable to pay it.

Payment in lieu of notice

31. In exceptional circumstances, where it suits service needs, payments in lieu of notice are made to staff on the termination of their contracts.

Re-employment

32. Applications for employment from staff who have retired or been made redundant from the City Corporation or another authority will be considered in accordance with the Corporation’s normal recruitment policy. The City Corporation does not engage former staff on contracts that enable tax payments to be minimised.

POLICY IMPLEMENTATION AND CURRENT POSITION

Salary scales effective from 1 July 2021

33. A three-year pay award giving an increase of 2.25% on Base salaries and 5% on London Weighting for all employees in Grades A-J and the Senior Management Grade was agreed in March 2020. The planned increases would be effective from 1 July each year between 2020 and 2022.. The agreement on the Pay Award included a clause for renegotiation “in exceptional circumstances”, and in December 2020, in the light of the circumstances caused by the pandemic, and of the Chancellor’s recommended “pay pause” for public-sector workers, the City Corporation invoked this clause. As a result of this, the pay award for 2021/22 was a 1.525% increase on Base salaries of Grades A-C and no increases on any other pay. The current salary scales are given below.

Grade	Min Salary (£)	Max Salary (£)	No. of employees
Grade A	£16,650	£17,670	149
Grade B	£18,170	£21,110	554
Grade C	£23,730	£27,530	813
Grade D	£29,350	£34,040	699
Grade E	£34,040	£39,440	560
Grade F	£43,100	£49,980	414
Grade G	£51,460	£59,690	184
Grade H	£59,690	£69,170	88
Grade I	£69,170	£80,170	25
Grade J	£82,590	£95,760	17
Senior Management Grade (SMG)	£84,240	£258,970	17

The figures given are for Base pay only. Employee numbers are those at the time of the November 2021 pay roll. Any employee on Grades A-J who manages or supervises another employee on the same Grade has a separate pay scale paying up to 6.1% greater than the

salary on the substantive Grade. Any employee on Grades A-J who is in a residential post has a separate pay scale paying 12.5% less than the salary on the substantive Grade. The figures for employees in each Grade in the table above include those on the relevant supervisory and residential scales. All employees on Grades A-J and in the SMG also receive a London Weighting allowance. The allowance does not differ between Grades of staff.

Teacher Grades	£29,490	£60,250
Senior Teacher Grades	£64,640	£147,490

Figures for Teacher Grades exclude any additional responsibility allowances payable. Figures for Senior Teacher Grades include all payments.

This information is reviewed, updated and published on a regular basis in accordance with the guidance on data transparency and by the Accounts and Audit (England) Regulations 2011. It should be noted that all Police Officer pay scales are nationally determined and as such do not form part of the City Corporation's Pay Policy.

- 34. Current levels of London Weighting for non-residential staff are £6,710 for those based in inner London and £4,020 for those based in outer London. Separate rates (approximately 10% lower) are applied to residential staff.
- 35. The City Corporation subscribes to Croner's salary benchmarking. While this provides information on both public and private sector comparator jobs, general practice is to use the median level of comparator public-sector jobs in central London for organisations which employ between 1001 and 4000 staff, with a turnover of £50m-£100m as basis for establishing appropriate market rates.
- 36. The Act's provisions do not supersede the City Corporation's autonomy to make decisions on pay which are appropriate to local circumstances and deliver value for money for local taxpayers. The Corporation seek to be a fair employer and an employer of choice - recognising and rewarding the contributions of staff in an appropriate way. The Corporation set pay fairly within published scales and, in doing so, have regard to changing conditions in differing occupational and geographic labour markets.

Employees below the Senior Management Grade

- 37. The lowest Graded employees are in Grade A as determined by the outcomes of the Job Evaluation process. That Grade has been restructured in recent years such that its bottom and top points have risen higher up the pay scale. The current lowest point on Grade A is now £23,360, including a London Weighting allowance for working in Inner London. The current pay range for Grades A - J is £23,360 to £102,470 inclusive of Inner London Weighting of £6,710 for non-residential employees.
- 38. Under normal circumstances, in each October following the March end of the appraisal year, generally around two thirds of eligible employees have been allowed to move into the two higher contribution increments or to receive a one-off non-consolidated contribution payment. As stated earlier, in 2020 and 2021, normal practice was waived

as a result of the difficulties caused by the pandemic, and increments for eligible staff were allowed to be the default position.

Senior Management Grade

- 39. Current Senior Management salary scales are from £84,240 to £258,970, excluding London Weighting.
- 40. Each Senior Management Grade post is allocated a range around a datum point. There is a maximum and minimum (datum plus 9% and datum minus 6% respectively) above and below which no individual salary can fall. Where a pay increase for a member of staff would take them above the maximum in a given year, the excess amount above the maximum may be paid as a non-consolidated payment in that year. This does not form part of basic salary for the following year and will, therefore, have to be earned again by superior performance for it to be paid.
- 41. Each year the datum point advances by a percentage equivalent to any ‘cost of living’ pay award. Individual salaries would move according to the table below:

Contribution Level	Salary Change
A Outstanding	Datum % change + up to 6%
B Very Good	Datum % change + up to 4%
C Good	Datum % change
D Improvement Required	0.0%

- 42. As with staff in Grades D-J, normal practice on progression through Grades or Contribution Payments for eligible staff was waived in 2020 and 2021. In 2021, SMG staff not on the top of their Grades received a 3% “incremental” progression through their individual pay scales, but no Contribution Payments were made to those at the top of their scales.
- 43. The Senior Remuneration Sub-Committee sets the initial salary on appointment, together with the individual salary band, for staff with posts in the Senior Management Grade. Thereafter, the Town Clerk & Chief Executive determines annual salary progression for SMG posts (other than in relation to their own) within (and up to the maximum of) the existing individual salary bands and in accordance with relevant reward policies, in consultation with the Senior Remuneration Sub-Committee. Any changes to the individual salary bands for SMG posts must be agreed by the Senior Remuneration Sub-Committee.
- 44. In respect of the Town Clerk & Chief Executive, the post’s salary and any Contribution Payments that may be due to its holder are determined by the Senior Remuneration Sub-Committee. The Sub-Committee is advised by an Appraisal Panel comprising the Chairs of the Policy & Resources Committee (as the Town Clerk’s line manager), Establishment Committee, Finance Committee and General Purposes Committee of Aldermen. The Appraisal Panel set the Town Clerk’s annual objectives and review performance against those objectives, receiving a report from the Chair of the Policy & Resources Committee who conducts the annual appraisal meeting with the Town

Clerk. The Sub-Committee and Appraisal Panel are supported by the Director of Human Resources together with any appropriate external advisers.

45. Set out below are the broad pay ranges for the Senior Management Grade in 2020-2021, with the numbers in each band, excluding London Weighting. Each member of staff will have an individual salary scale within these broad ranges. (It should be noted that the figures below include the pay of employees who are acting up into two SMG posts which are currently vacant. A further SMG post is also vacant but there is not an employee acting up into it.)

£84,240 - £120,070	(4)
£121,260 - £152,110	(7)
£156,670 - £181,520	(7)
£223,370 - £258,970	(1)

Chief Officers and Deputy Chief Officers

46. The Act specifies that information should be given in Pay Policy Statements about the determination of remuneration for Chief Officers and Deputy Chief Officers as defined under the Local Government & Housing Act 1989, including approaches to the award of other elements of remuneration including bonuses and performance-related pay as well as severance payments. This should include any policy to award additional fees paid to Chief Officers or Deputy Chief Officers for their local election duties. The 1989 Act applies to the City Corporation only in its capacities as a local authority, police authority and port health authority, but as with other parts of this Statement, details are given for all employees who would satisfy the basic definitions of Chief Officers and Deputy Chief Officers given in the 1989 Act, other than schoolteachers and those who work in general for the City Corporation in its capacity as a police authority.

47. According to the definitions given in the 1989 Act (but widened in their interpretation as described in the paragraph above), as of 19 November 2021, the City Corporation had 30 filled Chief Officer posts and 122 filled Deputy Chief Officer posts. The 30 Chief Officer posts comprised the 17 posts within the Senior Management Grade plus the following numbers of posts within the A-J Grades:

- Grade J 7
- Grade I 4
- Grade H 1

plus one post paid at a spot salary owing to the nature of its employment.

The 122 Deputy Chief Officer posts were made up of posts at the following Grades:

- Grade J 13
- Grade I 18
- Grade H 43
- Grade G 25
- Grade F 21

plus two posts paid at spot salaries owing to the nature of their employment and/or funding.

48. The distinctions between SMG pay and payments made to employees on other Grades are outlined in the relevant sections of this Statement above. The most significant element of pay able to be received by employees in Grades A-J that is not available to SMG posts is market supplements. 7 Chief Officers in Grades I-J receive these payments as do 53 Deputy Chief Officers in Grades F-J. 2 of the Deputy Chief Officers in Grade F receive additional payments for working contractual hours in addition to the standard 35 per week on most City Corporation contracts. One Deputy Chief Officer on Grade F receives occasional additional payments for participating in electoral activities. One Deputy Chief Officer (Grade J) receives additional payments for undertaking standby duties.

49. In cash terms, the payments per annum made to Chief Officers (including those in the SMG) and Deputy Chief Officers fall into the following broad pay bands:

<u>£ per annum</u>	<u>Chief Officers</u>	<u>Deputy Chief Officers</u>
40,000 – 50,000	-	18
51,000 – 60,000	1	25
61,000 – 70,000	-	24
71,000 – 80,000	2	15
81,000 – 90,000	4	13
91,000 – 100,000	-	12
101,000 – 110,000	4	6
111,000 – 120,000	4	3
121,000 – 140,000	5	5
141,000 – 160,000	4	-
161,000 – 199,000	5	-
<u>200,000 – 255,00</u>	<u>1</u>	<u>1</u>
<u>Total employees</u>	<u>30</u>	<u>122</u>

All payments outlined in the table above exclude London Weighting payments.

50. As mentioned earlier, the City Corporation is currently undertaking a significant review of its structure and services. This is due to be implemented this year, and it may have some effect on the numbers and the remuneration of Chief Officers and Deputy Chief Officers employed.

51. The schemes for incremental pay increases and Contribution Payments for employees in Grades D-J and the Senior Management Grade are set out in the relevant sections of this Statement above. These apply to Chief Officers and Deputy Chief Officers, depending on whether they are in one of the D-J Grades or the SMG. No Chief Officer or Deputy Chief Officer has an element of their basic pay “at risk” to be earned back each year. Progression through Grades is, however, subject to successful performance, assessed through the application of the performance-appraisal scheme. Contribution Payments for any Chief Officer or Deputy Chief Officer are only available

(when authorised) to those at the top of their Grades. These must also be earned through performance appraisal, and all such payments are non-consolidated, meaning that any recurrence of the payment has again to be earned through performance in future years.

52. The Act requires authorities to set out their policies on remuneration for their highest-paid staff alongside their policies towards their lowest-paid staff, and to explain what they think the relationship should be between the remuneration of their highest-paid staff and other staff. The City Corporation's pay multiple - the ratio between the highest paid and lowest paid permanent staff - is approximately 1:11. The ratio between the pay of the highest paid member of staff and the median earnings figure for all staff in the authority is approximately 1:7.

Publication of information relating to remuneration

53. The City Corporation will publish details of positions with remuneration of £50,000 or above in accordance with the Accounts and Audit Regulations 2015 and the Local Government Transparency Code issued by the Secretary of State for Communities and Local Government.

54. This Pay Policy Statement will be published on the Corporation's public website. It may be amended at any time during 2021-2022 by resolution of the Court of Common Council. Any amendments will also be published on the Corporation's public website.

55. This statement meets the requirements of the: Localism Act 2011; the Department for Communities and Local Government (DCLG) guidance on "Openness and accountability in local pay: Guidance under section 40 of the Localism Act" (including any supplementary Guidance issued); "The Local Government Transparency Code 2015"; and the Accounts and Audit Regulations 2015.

56. From 2018, the City of London Corporation is required under the Equality Act 2010 to publish information every year showing the pay gap between male and female employees. The organisation's most recent such report was published in March 2020, and showed a diminution in the mean and median hourly-rate gender pay gap and an increase in the proportion of women in the upper quartile of employees by pay rates.

T. Graham
Chair, Establishment Committee

C. E. Lord, OBE JP
Deputy Chair, Establishment Committee

November 2022

CITY OF LONDON CORPORATION
PAY POLICY STATEMENT 2022-2023

LEGISLATIVE OVERVIEW

1. Section 38(i) of the Localism Act 2011 (the Act) has required local authorities since the financial year 2012-2013 to produce a Pay Policy Statement in advance of each financial year. The Act requires local authorities to set out in their Statements their policies on a range of issues, particularly those relating to remuneration for their most senior and lowest-paid staff. This must include significant information on pay and reward for Chief Officers (as defined in the Local Government and Housing Act 1989). The Statement must be reviewed annually and agreed by “*a resolution of the authority*”, in the City of London Corporation’s case by the Court of Common Council. This document meets the requirements of the Act for the City of London Corporation for the financial year 2022-2023.
2. The provisions of the Act require that authorities are more open about their local policies and how local decisions are made. The Code of Recommended Practice for Local Authorities on Data Transparency enshrines the principles of transparency and asks authorities to follow three principles when publishing data they hold: responding to public demand; releasing data in open formats available for re-use; and releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.
3. The Act applies to the City of London Corporation only in its capacity as a local authority. It should be noted that not all of the pay and employment costs incurred by the City of London Corporation are carried out in this capacity, or even funded from public resources. As well as having statutory local authority functions, the Corporation undertakes other public functions, such as those of a police authority and of a port health authority. It also has private and charitable functions which receive funding through income from endowment and trust funds, and the pay and employment costs of these functions are met from these funds and are outside the scope of the Act.
4. In general, and in keeping with the spirit of openness, this Statement does not try to distinguish between information which applies to the City Corporation as a local authority and that which applies to it in any of its other capacities. However, insofar as the Act specifically excludes police authorities from its remit, this Statement does not include information about Police Officers.
5. Likewise, paragraph 7 of the Government Guidance for authorities on “*Openness and accountability in local pay*” (which has statutory effect under s40 of the Act for authorities in the preparation of their Pay Policy Statements) advises that “*The provisions in the Act do not apply to the staff of local authority schools and therefore teaching staff need not be brought within the scope of a pay policy statement*”. The City of London Corporation does not directly manage any local authority schools, but it does directly run three independent schools, and while some information about the remuneration of the teaching staff in these schools is provided in the Statement, in general the Statement follows the Government Guidance and leaves teaching staff outside of its scope.

6. The Act does not require authorities to publish specific numerical data on pay and reward in their Pay Policy Statement. However, information in this Statement should fit with any data on pay and reward which is published separately. The City Corporation operates consistent pay policies which are applied across all of its functions. Further details of the current Grade structures and associated pay scales are provided below in the section on "Policy Overview" (paragraphs 11-17) and "Policy Implementation" (paragraphs 32 and 36-43).

POLICY OVERVIEW

Background and fundamental rationale

7. All pay and terms and conditions of service are locally negotiated with the Corporation's recognised trade unions or staff representatives. In 2006-2007 extensive work was undertaken on a review of pay and grading structures. As a result, the principles set out in the guidance to the Act have already generally been addressed although the Act set out some additional requirements which are covered by this Statement.
8. In 2007, the Corporation implemented a number of core principles, via collective agreement, to form the City Corporation's pay strategy. This now focusses on a balance between incremental progression, individual performance and contribution to the success of the organisation. The main body of City Corporation employees are paid according to a Grade structure of 10 Grades (Grades A-J), with the most senior posts in a separate Senior Management Grade. Both the A-J Grades and the Senior Management Grade retain incremental progression, but this has since 2007 been determined by performance measured through appraisal over the year 1 April - 31 March. In 2020 and 2021, on account of the operational difficulties arising from the pandemic, this policy was waived for the year, such that failure to progress incrementally was by exception rather than through measured performance.
9. The provisions made in the 2007 pay review gave employees in Grades D-J and the Senior Management Grade access to "Contribution Payments" if the employees were at the top of their respective Grades. In years when these payments are in operation, achievement of them is also determined by appraisal over the same 1 April - 31 March time period. The payments are not contractual and are therefore made at the employer's discretion. In 2021, no Contribution Payments were made.
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Grading structure

11. All non-teaching staff employed by the City Corporation below the Senior Management Grade are allocated to one of the 10 A-J Grades, other than in a small number of exceptional cases, such as Apprentices. All such posts were reviewed under Job Evaluation, ranked in order and allocated to a Grade following the 2007 Review. The

evaluation scheme was independently equalities-impact assessed to ensure that it was inherently fair and unbiased. New posts and any existing posts that change their levels of responsibility etc. continue to be evaluated and ranked under the scheme. The scheme, how it is applied, the scoring mechanism and how scores relate to Grades are published on the Corporation's Intranet, so staff can be assured that the process is fair and transparent. In addition, there is an appeal mechanism agreed with the recognised trade unions and staff representatives.

12. Grades A-C are the lowest Grades in the City of London Corporation. Grade A has 3 increments and Grades B and C have 6 increments, and progression through each Grade can be achieved by annual incremental progression, subject to satisfactory performance. There is no Contribution Pay assessment. However, employees at the top of these Grades have the opportunity if they have undertaken exceptional work to be considered for a Recognition Award, up to a maximum level set corporately each year (this has been £500 in each year since 2010).
13. Grades D-J have 4 'core' increments and 2 'contribution' increments. Progression through the 4 'core' increments is subject to satisfactory performance. Progression into and through the 2 'contribution' increments can require performance to be at a higher than satisfactory level. Once at the top of the scale, for those who achieve the highest standards of performance and contribution, it is possible (subject to the employer's discretion in any given year) to earn a one-off non-consolidated Contribution Payment of up to 6% of basic pay depending on the assessed level of contribution over the previous year. The appraisal system recognises four levels of performance - Improvement Required, Good, Very Good and Outstanding, and those employees at the top of Grades D-J who achieve either of the top two ratings can (in years when the system is authorised to operate) receive a Contribution Payment.
14. A separate performance-payment scheme is in place for a small group of employees at the Barbican Centre engaged in commercial activities. These staff may receive payments of up to £4,000 or £6,000 per annum, depending on Grades and their success in meeting certain performance targets. The staff involved are excluded from the Recognition Awards and Contribution Payments schemes applying to other employees on their Grades.
15. The Senior Management Grade comprises the most senior roles in the organisation, as determined by Job Evaluation. Posts on the Senior Management Grade (SMG) are those which are the professional lead for a significant area of City Corporation business, with the nature of the professional responsibility held being that the postholders are not only directing the function for which they are responsible towards meeting corporate strategic goals but are required to determine from their professional point of view how these corporate goals should be constructed. As the SMG posts are distinct roles, they are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the Grade, which incorporates market factors as well as corporate importance. Any increase in salary (whether through incremental progression or a cost-of-living award) is entirely dependent on each individual being subject to a rigorous process of assessment and evaluation, based on the contribution of the individual to the success of the organisation. SMG posts are not necessarily the best-paid in the organisation,

as other posts in Grades I and J may be better paid than some SMG posts, depending on the separate market supplements applied to the Graded posts.

16. Following approval by the Court of Common Council of a new Target Operating Model and Organisation Design, the Senior Management Grade will, from 1 April 2021, comprise the following posts:

- Town Clerk & Chief Executive
- Deputy Town Clerk & Chief Executive
- Chief Operating Officer
- Chamberlain & Chief Financial Officer
- Comptroller & City Solicitor
- Remembrancer
- City Surveyor & Executive Director, Property
- Executive Director, Community & Children's Services
- Executive Director, Environment
- Executive Director, Innovation & Growth
- Executive Director, Human Resources
- Assistant Town Clerk & Executive Director, Governance & Members' Services
- Executive Director, Communications & External Affairs
- Chief Strategy Officer
- Executive Director & Private Secretary to the Lord Mayor
- Executive Director & Private Secretary to the Chair of the Policy and Resources Committee
- Managing Director, Barbican Centre
- Managing Director, Bridge House Estates
- Principal, Guildhall School of Music & Drama
- Open Spaces Director

17. The Head Teachers of the City of London School, City of London School for Girls and City of London Freemen's School are not part of the Senior Management Grade for the purposes of pay (their pay is governed by a separate senior teaching pay scale, as outlined in paragraph 5). The pay of the post of Remembrancer is aligned to Senior Civil Service pay scales.

18. Following the principles outlined above, the pay ranges for the Senior Management Grade were set with reference to both job evaluation and an independent external market assessment. The principles of this were agreed by the Court of Common Council in 2007 and, subsequently, the specific unique range for each senior management post was agreed by the Establishment Committee in October 2007, subject to alteration thereafter when the duties or responsibilities of posts or other external factors relevant to their pay and reward change.

Other contractual payments

19. In addition to basic salary, all Graded staff are paid a London Weighting allowance which varies depending on where they are based and whether they are supplied by

the employer with residential accommodation necessary for the purposes of fulfilling the duties of their job. This is to assist staff with the higher cost of living and working in London.

20. As most of the work of the organisation is undertaken in the City of London, there are some types of posts which are difficult to recruit to (e.g. lawyers, IT staff etc.). Accordingly, there is often the need to use market supplements to attract, recruit and retain highly sought-after skills. These, where used, can be applied to employees in Grades A-J. Any request for a market supplement must be supported by independent market data and is considered by a panel of senior officers and, where appropriate depending on the amount proposed to be paid and the Grade of the post, by the Establishment Committee. All market supplement payments are kept under regular review, and regular reports on payments made are produced for the Establishment Committee.
21. The London Living Wage (LLW) has been applied as a minimum rate for all directly employed staff, including Apprentices, since April 2017. Casual staff and agency workers have also been paid the London Living Wage since 2014. Until 2018, LLW increases were applied from 1 April each year in line with the most recently announced LLW increase. However, in October 2018, the City Corporation's Policy & Resources Committee agreed that LLW increases should be applied in this and future years to affected employees and other staff from the date of the increase's announcement, which in 2021 was on 15 November (an increase of 1.84%).
22. The Establishment Committee has specific authority to deal with or make recommendations to the Court of Common Council where appropriate on all matters relating to the employment of City of London Corporation employees where such matters are not specifically delegated to another Committee. These matters include the remuneration of senior officers. The Establishment Committee has delegated this to its Senior Remuneration Sub-Committee.

Transparency

23. The Government guidance to the Act (which has statutory effect) requires the Pay Policy Statement to make reference to policies in relation to staff leaving the authority, senior staff moving posts within the public sector, senior staff recruitment, and re-employment of senior postholders who have left the authority, particularly in relation to arrangements which might be made in such an event that would appear to have the intention of minimising tax payments made by the re-engaged former employee.

Recruitment

24. New staff, including those in the Senior Management Grade, are normally appointed to the bottom of the particular pay scale applicable for the post. If the existing salary falls within the pay scale for the post, the new employee is normally appointed to the lowest point on the scale which is higher than their existing salary provided this gives them a pay increase commensurate with the additional higher-level duties. In cases where the existing salary is higher than all points on the pay scale for the new role, the member of staff is normally appointed to the top of the pay scale for the role.

For posts where the salary is £100,000 or more, the following approvals will be required:

- (i) in respect of all new posts, the Court of Common Council;
- (ii) in respect of all existing posts, the Establishment Committee.

Payments on Ceasing Office

25. Staff who leave the City Corporation, including the Town Clerk & Chief Executive and staff on the Senior Management Grade, are not entitled to receive any payments from the authority, except in the case of redundancy or retirement as indicated below.

Retirement

26. Staff who contribute to the Local Government Pension Scheme who retire from age 55 onwards are able to elect to receive immediate payment of their pension benefits on a reduced basis in accordance with the Scheme.

27. Unreduced benefits are payable if retirement is from Normal Pension Age, with normal pension age linked to the State Pension Age from 1 April 2014, unless protections in the Pension Scheme allow for an earlier date. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme following dismissal on redundancy or business efficiency grounds from age 55 onwards and on grounds of permanent ill-health at any age.

28. Whilst the Local Government Pension Scheme allows applications for flexible retirement from staff aged 55 or over, where staff reduce their hours or Grade, it has in general been the City Corporation's policy to agree to these only where there are clear financial or operational advantages to the organisation. Benefits are payable in accordance with Regulation 27 of the Local Government Pension Scheme Regulations 2013. Unless there are exceptional circumstances, the City has not made use of the discretion allowed by the LGPS Regulations to waive any actuarial reduction in pensions awarded under the flexible-retirement provisions. However, as part of the fundamental review of its structure and services currently being undertaken in the organisation, a scheme has recently been operated whereby employees aged 60 or over could seek flexible retirement with an agreed departure date, to facilitate staffing restructures and the making of savings. Where the decision could be justified for these reasons, employees aged 55 or over were also allowed to participate in the scheme.

Redundancy

29. Staff who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on a week's pay (currently a maximum of £544 per week). The City Corporation currently bases the calculation on 1.5 x actual salary. This scheme may be amended from time to time subject to Member approval, and has most recently been so amended for staff made redundant on or after 25 October 2017. The authority's policy on discretionary compensation for relevant staff under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 is published on the Corporation's website.

Settlement of potential claims

30. Where a member of staff leaves the City Corporation’s service in circumstances which would, or would be likely to, give rise to an action seeking redress through the courts from the organisation about the nature of the member of staff’s departure from the Corporation’s employment, such claims may be settled by way of a settlement agreement where it is in the City Corporation’s interests to do so based on advice from the Comptroller & City Solicitor. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Should such a matter involve the departure of a member of staff in the Senior Management Grade or the Town Clerk & Chief Executive, any such compensation payment will only be made following consultation with the Chairs of Policy & Resources and Establishment Committees and legal advice that it would be legal, proper and reasonable to pay it.

Payment in lieu of notice

31. In exceptional circumstances, where it suits service needs, payments in lieu of notice are made to staff on the termination of their contracts.

Re-employment

32. Applications for employment from staff who have retired or been made redundant from the City Corporation or another authority will be considered in accordance with the Corporation’s normal recruitment policy. The City Corporation does not engage former staff on contracts that enable tax payments to be minimised.

POLICY IMPLEMENTATION AND CURRENT POSITION

Salary scales effective from 1 July 2021

33. A three-year pay award giving an increase of 2.25% on Base salaries and 5% on London Weighting for all employees in Grades A-J and the Senior Management Grade was agreed in March 2020. The planned increases would be effective from 1 July each year between 2020 and 2022.. **The agreement on the Pay Award included a clause for renegotiation “in exceptional circumstances”, and in December 2020, in the light of the circumstances caused by the pandemic, and of the Chancellor’s recommended “pay pause” for public-sector workers, the City Corporation invoked this clause. As a result of this, the pay award for 2021/22 was a 1.525% increase on Base salaries of Grades A-C and no increases on any other pay.** The current salary scales are given below.

Grade	Min Salary (£)	Max Salary (£)	No. of employees
Grade A	£16,650	£17,670	149
Grade B	£18,170	£21,110	554
Grade C	£23,730	£27,530	813
Grade D	£29,350	£34,040	699
Grade E	£34,040	£39,440	560
Grade F	£43,100	£49,980	414
Grade G	£51,460	£59,690	184
Grade H	£59,690	£69,170	88
Grade I	£69,170	£80,170	25
Grade J	£82,590	£95,760	17

Senior Management Grade (SMG)	£84,240	£258,970	17
The figures given are for Base pay only. Employee numbers are those at the time of the November 2021 pay roll. Any employee on Grades A-J who manages or supervises another employee on the same Grade has a separate pay scale paying up to 6.1% greater than the salary on the substantive Grade. Any employee on Grades A-J who is in a residential post has a separate pay scale paying 12.5% less than the salary on the substantive Grade. The figures for employees in each Grade in the table above include those on the relevant supervisory and residential scales. All employees on Grades A-J and in the SMG also receive a London Weighting allowance. The allowance does not differ between Grades of staff.			
Teacher Grades	£29,490	£60,250	
Senior Teacher Grades	£64,640	£147,490	
Figures for Teacher Grades exclude any additional responsibility allowances payable. Figures for Senior Teacher Grades include all payments.			

This information is reviewed, updated and published on a regular basis in accordance with the guidance on data transparency and by the Accounts and Audit (England) Regulations 2011. It should be noted that all Police Officer pay scales are nationally determined and as such do not form part of the City Corporation's Pay Policy.

34. Current levels of London Weighting for non-residential staff are £6,710 for those based in inner London and £4,020 for those based in outer London. Separate rates (approximately 10% lower) are applied to residential staff.
35. The City Corporation subscribes to Croner's salary benchmarking. While this provides information on both public and private sector comparator jobs, general practice is to use the median level of comparator public-sector jobs in central London for organisations which employ between 1001 and 4000 staff, with a turnover of £50m-£100m as basis for establishing appropriate market rates.
36. The Act's provisions do not supersede the City Corporation's autonomy to make decisions on pay which are appropriate to local circumstances and deliver value for money for local taxpayers. The Corporation seek to be a fair employer and an employer of choice - recognising and rewarding the contributions of staff in an appropriate way. The Corporation set pay fairly within published scales and, in doing so, have regard to changing conditions in differing occupational and geographic labour markets.

Employees below the Senior Management Grade

37. The lowest Graded employees are in Grade A as determined by the outcomes of the Job Evaluation process. That Grade has been restructured in recent years such that its bottom and top points have risen higher up the pay scale. The current lowest point

on Grade A is now £23,360, including a London Weighting allowance for working in Inner London. The current pay range for Grades A - J is £23,360 to £102,470 inclusive of Inner London Weighting of £6,710 for non-residential employees.

38. Under normal circumstances, in each October following the March end of the appraisal year, generally around two thirds of eligible employees have been allowed to move into the two higher contribution increments or to receive a one-off non-consolidated contribution payment. As stated earlier, in 2020 and 2021, normal practice was waived as a result of the difficulties caused by the pandemic, and increments for eligible staff were allowed to be the default position.

Senior Management Grade

39. Current Senior Management salary scales are from £84,240 to £258,970, excluding London Weighting.

40. Each Senior Management Grade post is allocated a range around a datum point. There is a maximum and minimum (datum plus 9% and datum minus 6% respectively) above and below which no individual salary can fall. Where a pay increase for a member of staff would take them above the maximum in a given year, the excess amount above the maximum may be paid as a non-consolidated payment in that year. This does not form part of basic salary for the following year and will, therefore, have to be earned again by superior performance for it to be paid.

41. Each year the datum point advances by a percentage equivalent to any 'cost of living' pay award. Individual salaries would move according to the table below:

Contribution Level	Salary Change
A Outstanding	Datum % change + up to 6%
B Very Good	Datum % change + up to 4%
C Good	Datum % change
D Improvement Required	0.0%

42. As with staff in Grades D-J, normal practice on progression through Grades or Contribution Payments for eligible staff was waived in 2020 and 2021. In 2021, SMG staff not on the top of their Grades received a 3% "incremental" progression through their individual pay scales, but no Contribution Payments were made to those at the top of their scales.

43. The Senior Remuneration Sub-Committee sets the initial salary on appointment, together with the individual salary band, for staff with posts in the Senior Management Grade. Thereafter, the Town Clerk & Chief Executive determines annual salary progression for SMG posts (other than in relation to their own) within (and up to the maximum of) the existing individual salary bands and in accordance with relevant reward policies, in consultation with the Senior Remuneration Sub-Committee. Any changes to the individual salary bands for SMG posts must be agreed by the Senior Remuneration Sub-Committee.

44. In respect of the Town Clerk & Chief Executive, the post's salary and any Contribution Payments that may be due to its holder are determined by the Senior Remuneration Sub-Committee. The Sub-Committee is advised by an Appraisal Panel comprising the Chairs of the Policy & Resources Committee (as the Town Clerk's line manager), Establishment Committee, Finance Committee and General Purposes Committee of Aldermen. The Appraisal Panel set the Town Clerk's annual objectives and review performance against those objectives, receiving a report from the Chair of the Policy & Resources Committee who conducts the annual appraisal meeting with the Town Clerk. The Sub-Committee and Appraisal Panel are supported by the Director of Human Resources together with any appropriate external advisers.

45. Set out below are the broad pay ranges for the Senior Management Grade in 2020-2021, with the numbers in each band, excluding London Weighting. Each member of staff will have an individual salary scale within these broad ranges. (It should be noted that the figures below include the pay of employees who are acting up into two SMG posts which are currently vacant. A further SMG post is also vacant but there is not an employee acting up into it)

£84,240 - £120,070	(4)
£121,260 - £152,110	(7)
£156,670 - £181,520	(7)
£223,370 - £258,970	(1)

Chief Officers and Deputy Chief Officers

46. The Act specifies that information should be given in Pay Policy Statements about the determination of remuneration for Chief Officers and Deputy Chief Officers as defined under the Local Government & Housing Act 1989, including approaches to the award of other elements of remuneration including bonuses and performance-related pay as well as severance payments. This should include any policy to award additional fees paid to Chief Officers or Deputy Chief Officers for their local election duties. The 1989 Act applies to the City Corporation only in its capacities as a local authority, police authority and port health authority, but as with other parts of this Statement, details are given for all employees who would satisfy the basic definitions of Chief Officers and Deputy Chief Officers given in the 1989 Act, other than schoolteachers and those who work in general for the City Corporation in its capacity as a police authority.

47. According to the definitions given in the 1989 Act (but widened in their interpretation as described in the paragraph above), as of 19 November 2021, the City Corporation had 30 filled Chief Officer posts and 122 filled Deputy Chief Officer posts. The 30 Chief Officer posts comprised the 17 posts within the Senior Management Grade plus the following numbers of posts within the A-J Grades:

- Grade J 7
- Grade I 4
- Grade H 1

plus one post paid at a spot salary owing to the nature of its employment.

The 122 Deputy Chief Officer posts were made up of posts at the following Grades:

- Grade J 13
- Grade I 18
- Grade H 43
- Grade G 25
- Grade F 21

plus two posts paid at spot salaries owing to the nature of their employment and/or funding.

48. The distinctions between SMG pay and payments made to employees on other Grades are outlined in the relevant sections of this Statement above. The most significant element of pay able to be received by employees in Grades A-J that is not available to SMG posts is market supplements. 7 Chief Officers in Grades I-J receive these payments as do 53 Deputy Chief Officers in Grades F-J. 2 of the Deputy Chief Officers in Grade F receive additional payments for working contractual hours in addition to the standard 35 per week on most City Corporation contracts. One Deputy Chief Officer on Grade F receives occasional additional payments for participating in electoral activities. One Deputy Chief Officer (Grade J) receives additional payments for undertaking standby duties.

49. In cash terms, the payments per annum made to Chief Officers (including those in the SMG) and Deputy Chief Officers fall into the following broad pay bands:

£ per annum	Chief Officers	Deputy Chief Officers
40,000 – 50,000	-	18
51,000 – 60,000	1	25
61,000 – 70,000	-	24
71,000 – 80,000	2	15
81,000 – 90,000	4	13
91,000 – 100,000	-	12
101,000 – 110,000	4	6
111,000 – 120,000	4	3
121,000 – 140,000	5	5
141,000 – 160,000		-
161,000 – 199,000	5	-
200,000 – 255,00	1	1
Total employees	30	122

All payments outlined in the table above exclude London Weighting payments.

50. As mentioned earlier, the City Corporation is currently undertaking a significant review of its structure and services. This is due to be implemented this year, and it may have some effect on the numbers and the remuneration of Chief Officers and Deputy Chief Officers employed.

51. The schemes for incremental pay increases and Contribution Payments for employees in Grades D-J and the Senior Management Grade are set out in the relevant sections of this Statement above. These apply to Chief Officers and Deputy Chief Officers, depending on whether they are in one of the D-J Grades or the SMG. No Chief Officer or Deputy Chief Officer has an element of their basic pay “at risk” to be earned back each year. Progression through Grades is, however, subject to successful performance, assessed through the application of the performance-appraisal scheme. Contribution Payments for any Chief Officer or Deputy Chief Officer are only available (when authorised) to those at the top of their Grades. These must also be earned through performance appraisal, and all such payments are non-consolidated, meaning that any recurrence of the payment has again to be earned through performance in future years.
52. The Act requires authorities to set out their policies on remuneration for their highest-paid staff alongside their policies towards their lowest-paid staff, and to explain what they think the relationship should be between the remuneration of their highest-paid staff and other staff. The City Corporation’s pay multiple - the ratio between the highest paid and lowest paid permanent staff - is approximately 1:11. The ratio between the pay of the highest paid member of staff and the median earnings figure for all staff in the authority is approximately 1:7.

Publication of information relating to remuneration

53. The City Corporation will publish details of positions with remuneration of £50,000 or above in accordance with the Accounts and Audit Regulations 2015 and the Local Government Transparency Code issued by the Secretary of State for Communities and Local Government.
54. This Pay Policy Statement will be published on the Corporation’s public website. It may be amended at any time during 2021-2022 by resolution of the Court of Common Council. Any amendments will also be published on the Corporation’s public website.
55. This statement meets the requirements of the: Localism Act 2011; the Department for Communities and Local Government (DCLG) guidance on “Openness and accountability in local pay: Guidance under section 40 of the Localism Act” (including any supplementary Guidance issued); “The Local Government Transparency Code 2015”; and the Accounts and Audit Regulations 2015.
56. From 2018, the City of London Corporation is required under the Equality Act 2010 to publish information every year showing the pay gap between male and female employees. The organisation’s most recent such report was published in March 2020, and showed a diminution in the mean and median hourly-rate gender pay gap and an increase in the proportion of women in the upper quartile of employees by pay rates.

T. Graham
Chair, Establishment Committee

C. E. Lord, OBE JP
Deputy Chair, Establishment Committee

November 2021

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Agenda Item 6

Committee(s): Establishment Committee – <i>for decision</i> Finance Committee – <i>for decision</i> Projects Sub Committee – <i>for decision</i>	Dated: 3 December 2021 7 December 2021 15 December 2021
Subject: CLS Pilot extension: Procurement & Projects	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 5, 6, 7, 8, 9, 10, 12
Does this proposal require extra revenue and/or capital spending?	Y/N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	Y/N
Report of: TOM Programme Director	For Decision
Report author: Emma Cunnington (TOM Programme Team), Darran Reid (Procurement) & Pete Collinson (City Surveyors)	

Summary

Recommendations

Members of the Establishment Committee are asked to:

- Note the success of the City of London School pilot to date in improving ways of working and the relationship with an institution (i.e. the City of London School) with the corporate centre.
- Note that the Establishment Committee have already agreed to the extension of the pilot with regards to the HR proposals.
- Agree that the pilot be extended in terms of changes in delegations for Procurement and Projects (as detailed below) to other institutions and departments of the City of London Corporation, where applicable, until July 2022 with an evaluation report .

Members of the Finance Committee are asked to:

- Agree that the following pilot proposals be extended to the City of London School for Girls and the City of London Freeman’s School:-
 - The authority to run non-works procurements in accordance with the City of London Procurement Code up to the Find a Tender Service (FTS) threshold, currently £189,330.00 be devolved to the City of London School with the option of drawing on the centre procurement team to advise and provide support to the procurement process where necessary.
 - Non-works procurements up to £300k, may also have more freedom over procurement strategy and options, depending on applicability of UK

Public Contracts Regulations (PCR 2015) and acting always in accordance with the City of London Procurement Code. Agreement on process and lead will be made between City Procurement and the business.

Members of the Projects Sub Committee are asked to:

- Agree that the following pilot proposals be extended to all departments and institutions within the City of London Corporation family:-
 - The delegation in relation to development, refurbishment and revenue programme schemes be increased from a total project cost (including works, fees and staff costs) of £250,000 to £1,000,000 in line with the recommended changes to the Gateway process.
 - Chief Officers, in consultation with the City Surveyor, approve schemes for maintenance or refurbishment of up to £1,000,000 per scheme.

Main Report

Background

1. The Target Operating Model (TOM) provides an opportunity for the City of London Corporation to update and simplify, to enable us to be radical, more agile and proactive to withstand both internal and external challenges. Whilst the TOM is intended to revise the organisational structure and deliver significant financial savings to achieve a balanced Medium-Term Financial Plan, it also creates an opportunity to look at how all departments and institutions can benefit from working closely together and staying connected so that – as a whole - we can be greater than the sum of our parts. To help identify opportunities to reengineer processes and ways of working across the whole organisation, officers have been carrying out a pilot within the City of London School with the aim of removing barriers to collaboration, causes of friction, inertia and non-value adding activity.
2. At the Establishment Committee meeting on 15 October 2021, Members agreed that the HR delegations in the pilot be extended out to all City of London Corporation departments and institutions in November 2021 until the end of July 2022. The specific proposals were related to:
 - a. starting point for external appointments
 - b. the starting point for internal acting ups into higher level positions;
 - c. incremental progression - additional awards where there is a justified business case, e.g. as a recognition of examination success related to the post and agreed as a development requirement;
 - d. honoraria payments up to the value of £2,500
 - e. a temporary amendment to the delegations of the MFS Board to approve all requests for honoraria payments between £2,500 and £7,500 regardless of grade
 - f. all requests for honoraria payments proposed by Chief Officers over £7,500 to be considered by the MFS Board and recommended to Establishment Committee for its agreement.

A report will be submitted to the Establishment Committee with a full evaluation of these proposals and any resulting recommendations in September 2022.

3. Whilst originally, the pilot's proposals concerning procurement and projects process for the annual maintenance programme were due to be evaluated in Spring 2021 on the effect it had had on the School, looking at evidence that the changes in process and delegation created value for both the School and the Procurement team and City Surveyors, Members made clear at the Establishment Committee meeting in October 2021, that they wanted the proposals to be extended to other appropriate departments and institutions much more quickly.
4. Therefore, this paper is now before Members to decide whether they wish to extend the pilot proposals relating to these two areas to all relevant departments and institutions. Specifically, the proposals relating to Procurement and City Surveyors are as follows:-

Annual maintenance programme

- the delegation in relation to development, refurbishment and revenue programme schemes, being funded by the City of London School's ring-fenced maintenance budget, be increased from a total project cost (including works, fees and staff costs) of £250,000 to £1,000,000 in line with the recommended changes to the Gateway process.
- the Head of the City of London School in consultation with the City Surveyor to approve schemes for maintenance or refurbishment of up to £1,000,000 per scheme, where funding is from the School's ring fenced repairs and maintenance fund.

Procurement

- the authority to run non-works procurements up to £189,330 be devolved to the City of London School with the option of drawing on the central procurement team to advise and provide support to the procurement process where necessary;
- Non-works procurements above up to £300k, may also have more freedom over procurement strategy and options, depending on applicability of UK procurement regulation. Agreement on process and lead will be made between City Procurement and the School.

Current Position

5. At time of writing, there is no hard evidence that the City of London School pilot proposals relating to procurement and the annual maintenance programme, have had a positive or negative effect on the aim of removing barriers to collaboration, causes of friction, inertia and non-value adding activity.

Annual Maintenance Programme

6. Therefore, it cannot be determined whether these pilot proposals have been deemed successful or not / there is evidence to suggest that these proposals are successful.

7. However, it is anticipated that these proposals will, in due course, reap rewards. As set out at the beginning of this pilot, the proposals concerning the annual maintenance programme aim to limit costs of work, specifically:
 - a. Consultant costs may not be required (or be vastly reduced) as works could be planned within the normal workloads of the City Surveyor's Department.
 - b. Smaller packages of cyclical work would be removed from the scheme and delivered separately as traditional cyclical works by the City's term contractors, e.g. those under £250k and could be carried out in other term times or out of hours. To use the example of the 2019/20 programme, electrical works and mechanical works could be delivered by others, therefore reducing the overall package to less than £1 million.

Procurement

8. In terms of procurement proposals, the School have not yet needed to use the extended delegations and so it cannot be determined whether these pilot proposals have been deemed successful or not.
9. In addition, as also set out at the beginning of the pilot, the proposals have a number of benefits including:
 - a. Increase the speed of procurements from an estimated 2-16 weeks to 1-4 weeks for 50% of procurements at City of London School
 - b. Reduce the operational risk by ensuring the School is able to respond with pace and agility to acquire basic products and services required to sustain normal operations on a timely basis
 - c. Reduce non-value adding time currently required to: (a) follow more complex procurement processes for straightforward, low risk procurements; (b) address gaps/issues caused by extended procurement timelines. (Estimated reduction 10+ hrs per month)
 - d. Reduce cost of service provision by agreeing contracts which align with the School's needs and timetables
 - e. Increase ownership in requirements definition by making the School accountable for making the right choice
 - f. Improve the alignment of service provision with the Schools' requirements
 - g. Allow Procurement to trial, iterate and build support for their future support service model for institutions on a small scale, before rolling out to any other relevant departments or institutions
 - h. This would also provide an opportunity to apply and trial the principle of empowerment in the Target Operating Model.
10. It should be noted that the City of London School was able to trial these procurement proposals due to the special nature of the fact that the City of London Corporation is the proprietor of the School acting in its general corporate capacity, and their property is held as part of the City's Estate. The costs attributable to the running of the School are met from parents' fees and are otherwise funded from the City Corporation's own funds, City's Cash. The City Corporation is not acting in its capacity as a local authority as proprietor of any of the three independent Schools, which are classified under the Education Acts as being within the Independent sector.

11. Any department or institution that is funded by City's Fund, in part or in whole, may not be able to trial these procurement proposals due to the requirements of the OJEU tendering regulations ensuring that procurements financed by public money raised from taxes are fair, transparent and offer value for money to the taxpayer.

Options

Option 1 – Continue to pilot the Procurement and City Surveyor's proposals within the City of London School alone until July 2022

12. One option could be to continue to pilot the proposals locally within the City of London School until July 2022 to collect data and evidence to inform Members on the decision that could be taken in the future regarding rolling out the proposals permanently.
13. Whilst this would give more specific information to help decide whether these are the right set of proposals, it could mean that the benefits are not realised until much later than they could have been.
14. This option also opposes the Member direction from the Establishment Committee to move forward at pace.

Option 2 – Extend the pilot of the Procurement and City Surveyor's proposals to the City of London School for Girls and the City of London Freeman's School now until July 2022

15. Another option could be to only extend the pilot to the three independent Schools now until July 2022 as all three Schools have similar needs as an institution of the City of London Corporation.
16. Again, this could mean that the benefits from these proposals are not realised by other parts of the organisation until much later than they could have been. It would also mean that there would be no information or data collected on how these proposals impact other departments and institutions who may have different needs and requirements than the Independent Schools.

Option 3 – Extend the pilot proposals relating to the City Surveyor to all departments and institutions within the City of London Corporation family and the pilot proposals relating to Procurement to the City of London School for Girls and the City of London Freeman's School, and any other department or institution which is not funded by City's Fund and therefore not subject to OJEU regulations (RECOMMENDED)

17. The recommended option is that the pilot proposals are rolled out to all departments and institutions – where applicable – to allow for full testing of the proposals in all areas of the City of London Corporation. This would help inform the evaluation of the pilot after it has ended in July 2022, and allow Members to make a decision as to whether the proposals are rolled out permanently in September 2022 or not.

Proposals

Annual Maintenance Programme

18. It is now proposed that the delegation in relation to development, refurbishment and revenue programme schemes, being funded by departmental or institutional ring-fenced maintenance budgets, be increased from a total project cost (including works, fees and staff costs) of £250,000 to £1,000,000 in line with the recommended changes to the Gateway process. This higher number is to reflect the fact that the annual works package of circa £1m is usually let to a single contractor to facilitate ease of delivery. Combining a number of minor projects into one procurement means it has the characteristics of a single project and therefore would need to go through the gateway process because of its cost.
19. This proposal requests a delegated authority approach like that of the Investment Property Group that was adopted in May 2019. This enables projects up to £1,000,000 to progress outside of the Gateway process with delegated authority given to the City Surveyor to agree the process documentation.
20. It should be noted that:
- a. For all projects, the Chamberlain must be consulted to confirm that funding is available for any proposed budget before the project could proceed and City Procurement would continue to be consulted, as appropriate, on procurement issues (including the completion of the relevant procurement documentation/ form).
 - b. Should the estimated cost of a project increase to over £1,000,000, the project would revert to the gateway approval process.
 - c. Appropriate process documentation must be used for these projects, albeit some may be combined where considered appropriate. In this context, any issues arising would be approved by the City Surveyor subject to consultation with the Chamberlain on financial matters.
21. In addition, it is proposed that the scheme of delegations be updated to allow for the departmental Chief Officer or Head of Institution, in consultation with the City Surveyor, to:-
- approve schemes for maintenance or refurbishment of up to £1,000,000 per scheme, with funding from appropriate sources agreed with the Chamberlain.
22. The routine cyclical maintenance projects carried out are often smaller packages of work grouped together to create a larger project. If the above proposal is agreed, the works would be, if appropriate, tendered via the new City Frameworks for building fabric and mechanical and electrical projects between £250,000 and £1,000,000. Any works outside the City Framework would be tendered via City Procurement.

Procurement

23. It is now proposed that a devolved process be extended to be piloted by all three Independent Schools and any other department or institution which is not subject to OJEU regulations, to allow:-
- a. The authority to run procurements up to £180k be devolved to the department or institution with the option of drawing on the central procurement team to advise and provide support to the procurement process where necessary;
 - b. Procurements above £180k up to £300k may also have more freedom over procurement process, depending on applicability of UK procurement regulation. Agreement on process and lead will be made between City Procurement and the department or institution. The proposed procurement approach within the (£180-330K spend bracket)) will be considered in a short options report (PT3) by the Chair of the relevant Category Board.
24. It is also proposed that:-
- a. In line with the City Surveyor's Integrated Facilities Management model, in relation to core property services that are delivered from the centre, the department or institution's specific requirements will be included in the specification for the appropriate LOT. The department or institution will be consulted in choosing the supplier (i.e. for specialist services whether these should be delivered in-house or via external contracts) and the provider of core services. This will be considered by the City Surveyor when making the decision on the supplier.
25. Please note that the intention would not be for any department or institution to exit existing Corporation contracts early, but rather investigate options alongside scheduled contract renewals with the aim of being ready with options for comparison. The specific needs of each department or institution will actively be fed into the requirements for corporate contracts and agreed at Category Board. If the department or institution felt that their requirements are not being listened to, this would be escalated to their Board or Service Committee and the Procurement Sub Committee.
26. It is also proposed that City Corporation procurement policies (such as London Living Wage, Diversity, Responsible Procurement) continue to be applied to the all procurement processes despite further empowerment to choose the service and supplier. Departments and institutions would work with the Responsible Procurement Manager to put processes in place (e.g. training, checklist) to ensure compliance of these policies during the pilot. IT policies would also be adhered to for relevant Digital and IT procurements.
27. If the above proposal is agreed, it is also proposed that a new regular report be prepared to provide an annual update of procurements to the Procurement Sub Committee.
28. As within current practices, it will be important for the City Corporation to maintain 'good governance' of procurements. Within this proposal, departments and institutions would use the Procurement Authorisation Report for all tenders up to £300k which will allow for City Procurement to keep records, and departments and institutions will also ensure they keep records of bids and decisions.

29. It is intended that these proposals be piloted for eight months (until July 2022) before assessing whether this new way of working is successful in a paper to the Establishment Committee.

Corporate & Strategic Implications

Strategic implications

30. This pilot is part of the wider Target Operating Model programme to assess the organisation's agility to removing barriers to collaboration, causes of friction, inertia and non-value adding activity. If this proposal is approved, it will be continually assessed and reviewed and, if successful, a further proposal will be reported to the relevant committees (including this Sub-Committee) to allow for a further rollout of the new process to other relevant institutions and departments.

31. This proposal meets the objectives of the City Corporation's Corporate Plan – in particular objectives 1, 5, 6, 7, 8, 9, 10 and 12.

Financial implications

32. If these proposals are agreed, it is estimated that there would be reduced costs as contracts would be agreed which align with the School's needs and timetables.

33. In agreeing to the proposed change in the governance arrangements for works projects, Members should assure themselves that the new arrangement will ensure value for money continues to be achieved for these works and that there will be no adverse impact on the level of income generation, e.g. school fees that need to be charged.

Resource implications

34. If agreed, it is estimated that there would be a shift in resource required to manage the approvals process.

Legal implications

35. The initiative to empower the departments and institutions to allow greater flexibility in terms of projects and procurement choices is one which will have legal implications, with the emphasis shifting to the departments and institutions directly and its governance arrangements. As far as the wider procurement arena is concerned, strategic choices will continue to be made in accordance with the framework of the School's governance and with the support, where required, of the City Procurement team. It is anticipated that certain areas of procurement spend (e.g. works procurement characterised as buildings repairs and maintenance and certain "hard" and "soft" FM services) will continue to be addressed on a corporative basis as is currently the case.

Risk implications

36. Without sufficient expertise, there is a risk that some contracts could be commercially disadvantageous, particularly in specialist areas such as IT.

Equalities implications

37. The proposals within this report do not have any impact (positive or negative) on people protected by the Public Sector Equality Duty 2010 – age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity.

38. The proposals ask that the agreed City Corporation procurement policies on diversity continue to be applied to procurements even though these are devolved.

Climate implications

39. The proposals ask that the agreed City Corporation procurement policies on carbon reporting and reduction continue to be applied to procurements even though these are devolved.

Security implications

40. None.

Conclusion

41.

Appendices

- Appendix 1 – List or write ‘None’

Background Papers

[Provide details of previous reports to Committee on this subject] **This section can be deleted if there are none.**

Emma Cunningham

TOM Change and Implementation Manager

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Agenda Item 7

Committee: Establishment Committee – for information	Date: 3 December 2021
Subject: Securing target operating model savings: 2021/22 progress, update on	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For Information
Report author: Sonia Virdee, Interim Financial Services Director, Chamberlain’s	

Summary

This report updates on the identification of permanent savings to meet the 12% budget reduction already applied to 2021/22 budgets.

A key focus is on the Target Operating Model (TOM) savings which form a sub-set of the 12% budget reductions. Some departments are more dependent than other departments on achieving their 12% savings through headcount reduction, for instance departments where costs are predominantly on staff. For such departments, one-off savings to manage 2021/22 budget pressures are largely through vacancies, pending permanent structures being agreed as they progress through the TOM.

The TOM savings target agreed by the Court of Common Council in 2020/21 was £4.5m, this report illustrates 121% (£5.4m – gross, excludes any additional costs approved to Chief Officer base) of the TOM target is achievable to date, of which 16% (£0.9m) are confirmed as permanent savings. This figure will increase as the remaining departments go through the TOM process.

More widely the full range of permanent savings will be confirmed in Deep Dives reported to Efficiency and Performance Sub Committee, following bilateral meetings with Service Committee Chairmen over the Autumn.

Recommendation

- Members are asked to note the report.

Main Report

Background

1. To ensure the sustainability of the Medium-term Financial Plan, it is essential to ensure the 'flightpath' savings remain on track, in particular:
 - Delivery of the Fundamental Review savings approved by Policy and Resources Committee; and where proposals have been moved out of year due to delays caused by COVID impacts;
 - 12% reductions already applied to 2021/22 budgets, totalling £16m ((£7m City Fund, £4m City's Cash and £5m Guildhall Admin): ensuring departments have identified permanent savings; part of which are savings from the TOM, with scrutiny of any overspending committees or departments/institutions; and
 - COVID impacts on main income streams and service delivery, in particular from lower rental income and volatility on retained business rates.
2. Although overall scrutiny is being provided by the Efficiency and Performance Sub Committee, Establishment Committee will be scrutinising achievement of Target Operating Model (TOM) Savings predominately relating to: the impact of flexible retirement policies and translation of vacancies into post permanent savings; alongside costs of the scheme.
3. As the new TOM enters the second phase, departments are progressing under separate and staggered 'waves' to ensure a smooth transition across the City Corporation. The purpose of the TOM is not just a cost saving exercise, but rather about effective and efficient running of the City Corporation, covering aspects such as process, people/skills, organisation, location, accountabilities, decisions, performance, technology - ensuring the TOM principles are adhered to in structural design. The TOM savings target agreed by Court of Common Council in 2020/21 was £4.5m (£3m City Fund and £1.5m City's Cash). Members will recall that the TOM programme was delayed by a year due to the pandemic.
4. It is not currently possible to estimate what the TOM savings will be and allocate a target to departments. Each department has a different cost base - some departments are overwhelmingly staff costs, other departments have proportionately much smaller staff costs within their overall spend. As each department progresses through the TOM, Chamberlain's are capturing the post savings under the TOM and non-pay savings separately (such as income and expenditure), building an overall snapshot of ongoing savings to date. At an officer level, securing TOM savings and outputs are challenged by the Design Advisory Board and at Member level by the Efficiency and Performance Sub Committee in the deep dives - the outcomes of which are reported to this Committee.
5. The TOM target is therefore a range, with a minimum value of £4.5m and is part of the overall 12% reduction totalling £16.171m.
6. As departments go through the Design Advisory Board, Chamberlain's are translating what is achieved for this financial year (2021/22) and future years,

presenting the information via deep dives to the Efficiency and Performance Sub Committee.

Current

Update on composition of the 12% savings- TOM and other

7. Table 1 summarises progress on identification of TOM specific savings for the departments that have either gone through the process, where permanent year on year savings is achieved and delivered (full year implementation in 2021/22), against those departments yet to go through the process achieving one-off savings in year (2021/22) by holding vacancies. Permanent savings total £0.9m, against the total £5.4m deliverable to date (an overall increase of £1.5m since October). Taking into account the cost of backfill £0.7m (as departments finalise their restructure), this report illustrates a snapshot in time delivering 121% net savings (up by 40% since October) of the original TOM target in 2021/22.

8. Key Points to Note - Table 1:

- Budgets top sliced for 12% savings (or 6% in case of social care and children services - continuing to protect the most vulnerable services) from 1st April 2021, equating to 16.171m (excludes CoLP and GSMD). The 12% reduction is shown by department in the table below in the fourth column from the right, 'total 12% (or 6%) savings to be achieved'.
- Savings confirmed are at a point in time – noting departments must deliver within the overall envelope.
- Departments are working on how they will deliver unidentified savings – to be reviewed under the bilateral meetings / deep dives.
- The TOM target of £4.5m is part of the £16.171m to be achieved per annum as these are reoccurring savings. No specific TOM targets were or could be agreed with departments in advance of the TOM process.
- Savings maybe a combination of non-pay and headcount reduction. Non pay savings (examples of these - expenditure and income that does not relate to people costs), illustrated under the column – Non-Pay 12% (or 6%) savings delivered in 2021/22, whereas headcount reductions and staff savings by holding vacancies is illustrated in the first three columns.
- We are unable to quantify a permanent split between TOM and non-pay savings until all departments transition into their new structure.
- Due to COVID impact, the Barbican Centre was permitted to defer its 12% savings until after 2021/22 (an additional £7m of funding was included in the budget). Although partial implementation is planned in 2022/23, the Barbican Centre has flagged that it may be 2023/24 before full implementation is secured.

- Green shading denotes departments have had their proposals agreed by Committee/Members under the TOM process, whereas amber shading denotes whilst departments have gone through the TOM process, some proposals are approved and some outstanding.
- CoLP and GSMD savings are ringfenced to the Police and School's reserves respectively under the funding agreement.
- Bridge House Estates is not required to make any savings against the 12%.
- The table has been updated to include the London Metropolitan Archives separately as this will be reviewed later than the Deputy Town Clerk (DTC) functions.
- The savings are gross and do not include any additional costs approved under Chief Officer's base budgets – please note additional costs are under review and will be addressed in future reports.

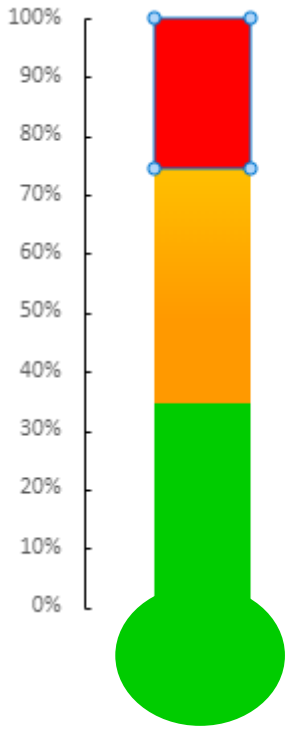
Table 1

Department	Staff related savings delivered in 2021/22 - confirmed to date	Of which: TOM - Permanent Savings	TOM pending - In-year Vacancies held 2021/22	Full year implementation of Permanent Savings	Non-Pay 12% (or *6%) savings delivered in 2021/22	Total 12% (or 6%) savings to be achieved	Less cost of backfill	Savings still to be (identified) / overachieved	TOM Proposals to Estab. Cttee.
	£000's	£000's	£000's	Year	£000's	£000's	£000's	£000's	Date
Barbican	0	0	0	2023/24	0	0		0	19-Jan-22
Environment	715	0	715	2022/23	2,065	4,456	(62)	(1,738)	19-Jan-22
Chamberlains	1,472	0	1,472	2022/23	288	1,324	(261)	175	19-Jan-22
Chief Operating Officer	2,141	0	2,141	2022/23	(356)	2,146	(392)	(753)	19-Jan-22
Community & Children Services*	190	190	0	2021/22	960	1,451	(9)	(310)	23-Jun-21
City of London Freeman's School	0	0	0	2021/22	105	105		0	11-Nov-21
City of London School	0	0	0	2021/22	227	227		0	11-Nov-21
City of London School for Girls	0	0	0	2021/22	91	91		0	11-Nov-21
City Surveyors	471	471	0	2021/22	2,226	3,463		(766)	23-Jun-21
Comptrollers and City Solicitors	0	0	0	2021/22	101	101		0	19-Apr-21
DTC Functions	595	48	547	2022/23	501	1,126		(30)	11-Nov-21
Innovation Growth	143	143	0	2021/22	815	950		8	22-Jul-21
London Metropolitan Archives	436	0	436	2022/23	95	531		0	TBC in 2022/23
Remembrancer	0	0	0	2021/22	199	200		(1)	15-Oct-21
Total TOM savings	6,163	852	5,311		7,317	16,171	(724)	(3,415)	
Less cost of backfill	(724)								
Nett TOM Savings	5,439								
TOM Target	4,500								
GAP	939								

Department	Staff related savings delivered in 2021/22 - confirmed to date	Of which: TOM - Permanent Savings	TOM pending - In-year Vacancies held 2021/22	Full year implementation of Permanent Savings	Non-Pay 12% (or *6%) savings delivered in 2021/22	Total 12% (or 6%) savings to be achieved	Less cost of backfill	Savings still to be (identified) / overachieved	TOM Proposals to Estab. Cttee.
	£000's	£000's	£000's	Year	£000's	£000's	£000's	£000's	Date
Bridge House Estates	0	0	0	2021/22	0	0	0	0	15-Oct-21
City of London Police	0	0	0	2022/23	0	2,300	0	0	19-Jan-22
GSMD	443	147	296	2022/23	335	832	(54)	(107)	19-Jan-22

9. Good progress has been made since October. Departments continue to work through their transformation programmes to comply with the TOM design principles and permanent savings required. As mentioned under paragraph four of this report, it is not currently possible to estimate what the TOM savings will be achieved as each department has a different cost base. It is therefore vital savings are reviewed against the overall programme (12%/TOM savings) and not in isolation. Chamberlain's together with Town Clerk and HR will review and comment on proposals prior to reports going to Design Advisory Board.
10. Whilst some departments have achieved their savings, the majority have achieved these through one-off measures such as holding vacancies and flexible retirement. These vacancies and flexible retirements are not necessarily permanent year on year post savings, until departments are able to confirm future structures through the TOM process. As departments go through the Design Advisory Board, Chamberlain's are translating what is achieved for this financial year (2021/22) and future years, presenting the information via deep dives to the Efficiency and Performance Sub Committee. Appendix 2 shows the composition of savings for each department that has progressed through the TOM. Of the vacancies held and flexible retirements, costs of £0.7 have been incurred through backfills, either short-term or fixed term contracts.

- 11. Other pay initiatives include savings from normal retirements, post reductions, and or changes in grades and are likely to be more permanent savings. However, as with all savings, these will be finalised through the deep dives and as departments go through the Design Advisory Board.
- 12. Non-pay initiatives include one-off savings as well as permanent on-going savings. The deep dives will be an opportunity to explore these further to ensure permanent savings are sustainable, through challenge and scrutiny. Also, an opportunity to identify changes in practice, new innovative ways of working.
- 13. The Design Advisory Board and where necessary the TOM Steering Group if any deviation from design principles have been proposed, recommended that proposals for design and delivery progress are fit to progress to Committee. Community and Children’s Services; City of London School; City of London School for Girls; City of London Freeman’s School; City Surveyor (excludes Central Criminal Court); Comptrollers & City Solicitors; and Remembrancer have completed the Committee process and either in consultation or implementation stage. DTC and Innovation Growth have also completed the Committee process on a majority of their proposals and are either in consultation or implementation stage. The TOM Programme Update report on today’s agenda provides further detail as to where each department are in the cycle. Chamberlain’s have worked closely with the departments to translate the delivery of savings for this financial year (2021/22) and future years (see appendix 1). It is clear from the financial review, further work is still required to ensure full delivery of 2021/22 savings and subsequent years. Deep dive reports will be presented to the Efficiency and Performance Sub Committee with further information in accordance with the timetable. Departments that have gone through the deep dives and not delivered the full savings will be required to bring back an update at a later stage.
- 14. The savings barometer illustrates permanent savings against those one-off savings being delivered for this financial year:



- GREEN: 34% confirmed, permanent Savings
- AMBER: 40% one-off savings achieved for 2021/22
- RED: 26% savings yet to be identified and delivered.

Bilateral meetings in the Autumn

15. Bilateral meetings between Service Committee Chairmen and the Chair(men) of Policy and Resources and Finance and their Deputies commenced in September and will run through to beginning of December. It is expected that conversations will cover the following 5 key areas:
- i. 2021/22 and 2022/23 budget setting:
 - a. Progress in securing the 12% savings– measures for 2021/22 and full delivery for 2022/23.
 - b. Progress with the TOM and capturing savings secured through post reduction.
 - ii. Medium term outlook- key political initiatives, service direction and progress with fundamental review.
 - iii. What these savings mean on the ground for service delivery and assurance that efficiencies have actively been secured before any reduction in service delivery.
 - iv. Using the opportunity to improve service outcomes within a reduced financial envelope- to what extent are departments and Service Committees doing things differently?
 - v. Capital needs and latest thinking on use of Corporation assets.
16. Outputs from the bilateral meetings will be collated and consolidated into a single report, providing an overview of departmental challenges, opportunities and recommendations.
17. So far, 10 out of 17 - planned bilateral meetings have taken place, of which 5 departments have had their proposals either fully or partially agreed by Committee/Members under the TOM process – Community & Children Services, City of London Freeman’s School, City of London School, City of London Girls School, and Innovation Growth.

Progress against savings flightpath for Establishment Committee’s revenue budget

18. For the departments that report to the Establishment Committee, £903k has been allocated against the 12%/TOM savings target (see appendix 2). These departments are yet to go through the TOM process and deep dives; however, the bilateral meetings will be an opportunity to further explore where these savings will be delivered, and the outcomes reported back to this Committee.

Conclusion

This paper sets out, for Member information: progress on the identification of savings to meet the 12% budget reduction applied; and in particular highlights TOM savings achieved to date.

Appendix 1 – Summary of savings achieved for Community and Children’s Services; City of London School; City of London School for Girls; City of London Freeman’s School; City Surveyor; Comptrollers & City Solicitors; DTC; Innovation; and Remembrancer.

Appendix 2 – 12%/TOM savings deliverables for departments reporting to Establishment Committee.

Appendix 3 - Costs incurred in delivering the target operating model

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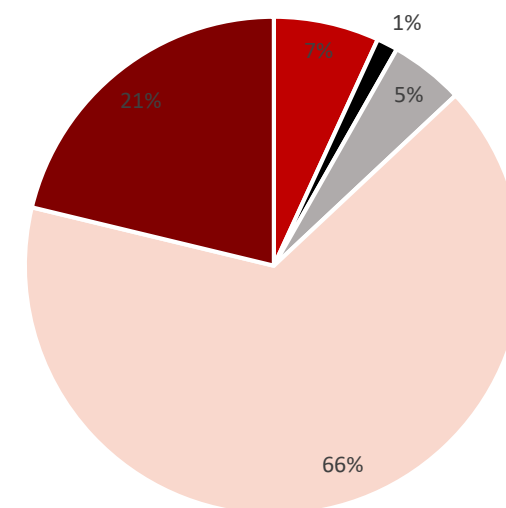
Appendix 1 – Summary of Savings per Department

Community & Children's Services (including libraries, education board and Barbican residential)

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	590,000	461,000	461,000	461,000	461,000
Savings - TOM/12%	1,451,000	1,451,000	1,451,000	1,451,000	1,451,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	2,041,000	1,912,000	1,912,000	1,912,000	1,912,000
FR savings					
Education Board FR savings	0	140,000	140,000	140,000	140,000
DCCS CF: 6% TOM	350,000	286,000	286,000	286,000	286,000
DCCS CF: 6% TOM	10,000	10,000	10,000	10,000	10,000
Supporting people: remove software purchase budget	35,000	35,000	35,000	35,000	0
TOTAL	395,000	471,000	471,000	471,000	436,000
Total Unidentified (or Overachieved) FR Savings	195,000	(10,000)	(10,000)	(10,000)	25,000
TOM/12% saving delivered					
Vacancies	100,000	110,000	110,000	110,000	110,000
Flexible Retirement	20,000	20,000	20,000	20,000	20,000
Other Pay Initiatives	70,000	70,000	70,000	70,000	70,000
Non-pay initiatives	960,000	840,000	870,000	870,000	870,000
Total Unidentified (or Overachieved) Savings	310,000	411,000	381,000	381,000	381,000
Cost incurred via backfill	(9,000)	0	0	0	0
Total Savings	1,141,000	1,040,000	1,070,000	1,070,000	1,070,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

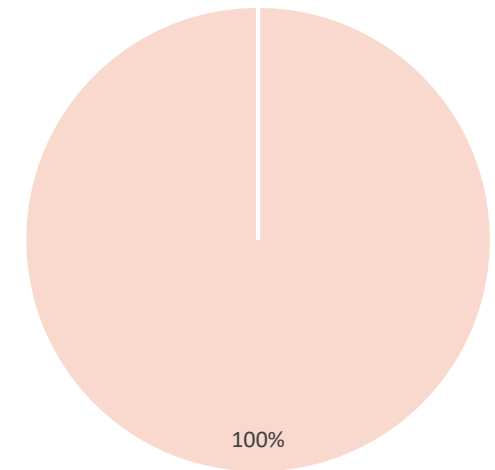


City of London School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	227,000	227,000	227,000	227,000	227,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	227,000	227,000	227,000	227,000	227,000
FR savings					
TOTAL	0	0	0	0	0
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	227,000	227,000	227,000	227,000	227,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
Total Savings	227,000	227,000	227,000	227,000	227,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

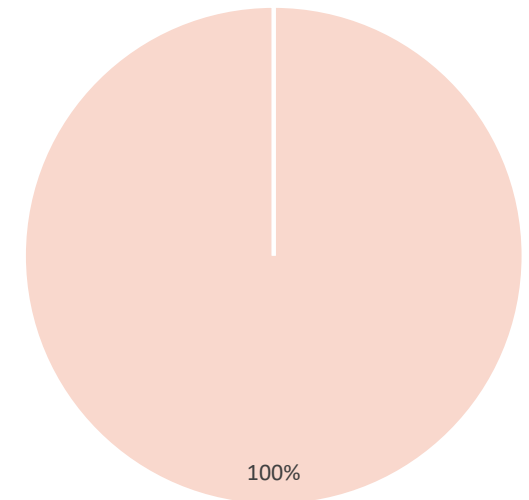


City of London Girls School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	91,000	91,000	91,000	91,000	91,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	91,000	91,000	91,000	91,000	91,000
FR savings					
TOTAL	0	0	0	0	0
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	91,000	91,000	91,000	91,000	91,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
Total Savings	91,000	91,000	91,000	91,000	91,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

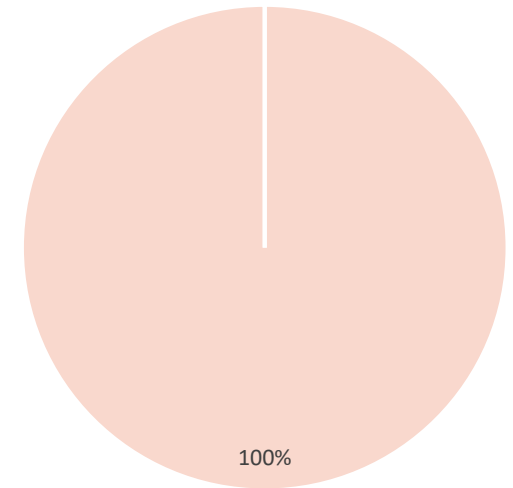


City of London Freeman's School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	105,000	105,000	105,000	105,000	105,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	105,000	105,000	105,000	105,000	105,000
FR savings					
TOTAL	0	0	0	0	0
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	105,000	105,000	105,000	105,000	105,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
Total Savings	105,000	105,000	105,000	105,000	105,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

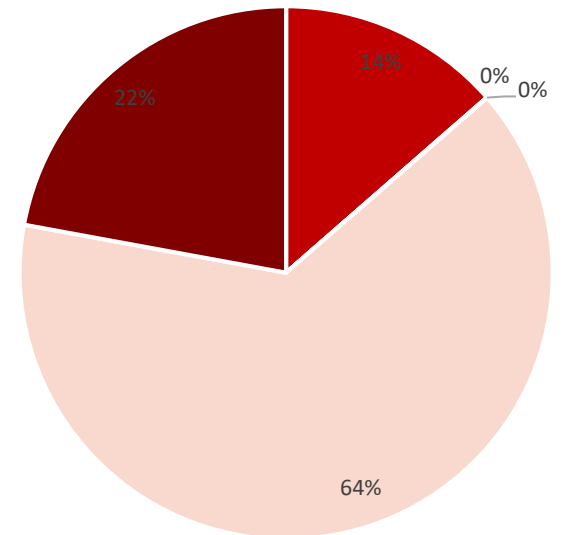


City Surveyors

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	601,000	601,430	601,430	601,430	601,430
Savings - TOM/12%	3,463,000	3,463,000	3,463,000	3,463,000	3,463,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	4,064,000	4,064,430	4,064,430	4,064,430	4,064,430
FR savings					
IT and Supplies and Services	75,000	75,000	75,000	75,000	75,000
FM reorganisation	526,000	526,000	526,000	526,000	526,000
TOTAL	601,000	601,000	601,000	601,000	601,000
Total Unidentified (or Overachieved) FR Savings	0	430	430	430	430
TOM/12% saving delivered					
Vacancies	470,163	470,163	470,163	470,163	470,163
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	1,000	1,000	1,000	1,000	1,000
Non-pay initiatives	2,226,000	2,226,000	2,226,000	2,226,000	2,226,000
Total Unidentified (or Overachieved) Savings	765,837	765,837	765,837	765,837	765,837
Cost incurred via backfill	0	0	0	0	0
Total Savings	2,697,163	2,697,163	2,697,163	2,697,163	2,697,163

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

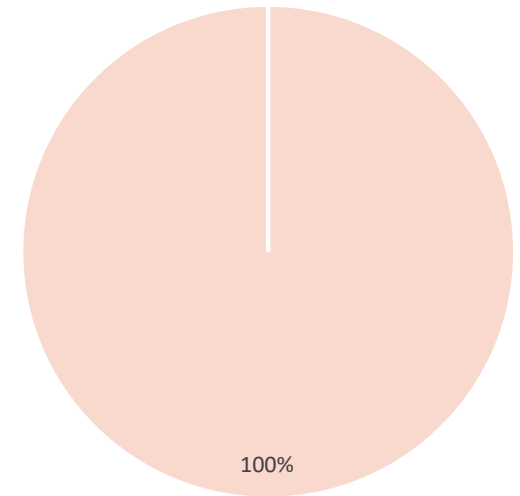


Comptroller and City Solicitor

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	101,000	101,000	101,000	101,000	101,000
Other Unidentified Savings	375,000	375,000	375,000	375,000	375,000
Total Savings	476,000	476,000	476,000	476,000	476,000
FR savings					
TOTAL	0	0	0	0	0
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	101,000	101,000	101,000	101,000	101,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
Total Savings	101,000	101,000	101,000	101,000	101,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

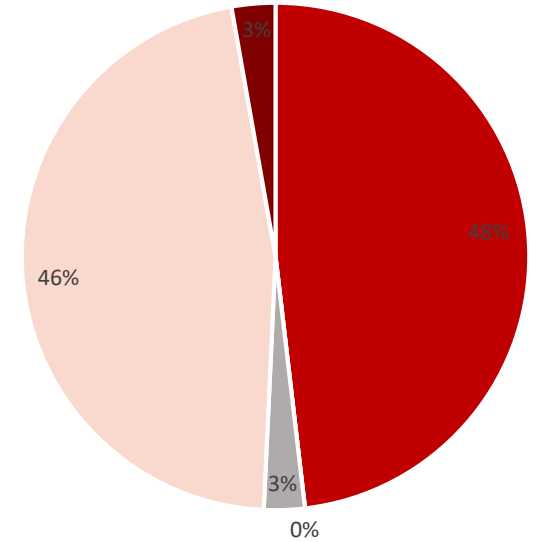


Deputy Town Clerk

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	20,000	0	0	0	0
Savings - TOM/12%	1,078,000	1,078,000	1,078,000	1,078,000	1,078,000
Other Unidentified Savings	91,000	0	0	0	0
Total Savings	1,189,000	1,078,000	1,078,000	1,078,000	1,078,000
FR savings					
Mansion House Premises: reduction in utilities	13,000	13,000	13,000	13,000	13,000
Mansion House Premises: reduction in fees	7,000	7,000	7,000	7,000	7,000
TOTAL	20,000	20,000	20,000	20,000	20,000
Total Unidentified (or Overachieved) FR Savings	0	(20,000)	(20,000)	(20,000)	(20,000)
TOM/12% saving delivered					
Vacancies	519,000	519,000	519,000	519,000	519,000
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	28,000	28,000	28,000	28,000	28,000
Non-pay initiatives	501,000	501,000	501,000	501,000	501,000
Total Unidentified (or Overachieved) Savings	30,000	30,000	30,000	30,000	30,000
Cost incurred via backfill	0	0	0	0	0
Total Savings	1,048,000	1,048,000	1,048,000	1,048,000	1,048,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

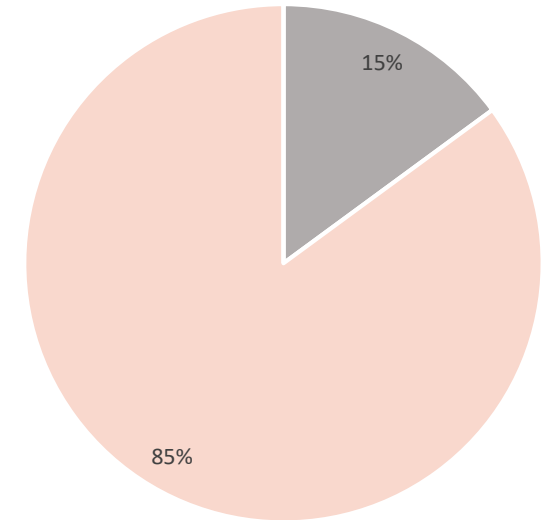


Innovation Growth

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	69,000	95,000	125,000	145,000	145,000
Savings - TOM/12%	938,000	938,000	938,000	938,000	938,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	1,007,000	1,033,000	1,063,000	1,083,000	1,083,000
FR savings					
Sponsorship income specifically within the Green Finance Summit	50,000	50,000	50,000	50,000	50,000
Guildhall Gallery rental of space Income	3,000	9,000	9,000	9,000	9,000
Formerly related to Commercial Manager Net Income Targets	16,000	36,000	66,000	86,000	86,000
TOTAL	69,000	95,000	125,000	145,000	145,000
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	143,000	188,000	188,000	188,000	188,000
Non-pay initiatives	815,000	770,000	770,000	770,000	770,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
Total Savings	958,000	958,000	958,000	958,000	958,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

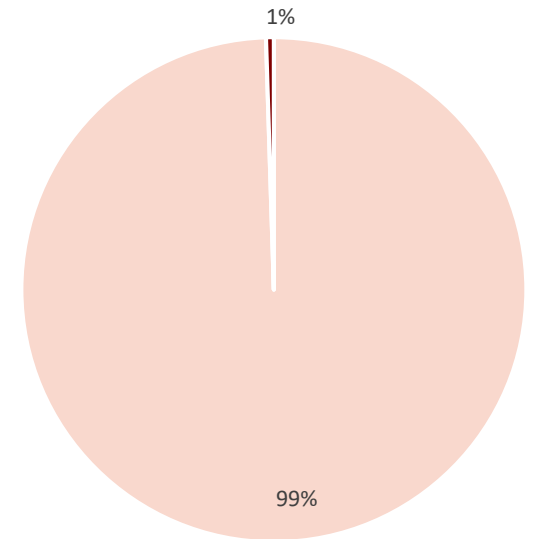


Remembrancer

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	200,000	200,000	200,000	200,000	200,000
Other Unidentified Savings	0	0	0	0	0
Total Savings	200,000	200,000	200,000	200,000	200,000
FR savings					
	0	0	0	0	0
	0	0	0	0	0
TOTAL	0	0	0	0	0
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
TOM/12% saving delivered					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	199,000	199,000	199,000	199,000	199,000
Total Unidentified (or Overachieved) Savings	1,000	1,000	1,000	1,000	1,000
Cost incurred via backfill	0	0	0	0	0
Total Savings	199,000	199,000	199,000	199,000	199,000

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings



Appendix 2 - 12%/TOM savings deliverables for departments reporting to Establishment Committee

Establishment Committee	Overall 12% savings £000's
Corporate HR	326
HR Training	23
Occupational Health	37
Project Management Office	33
Establishment	101
Town Clerk's Office	358
Corporate Services	25
Total TOM/12% savings	903

Note: Whilst the overall 12% savings target is confirmed, as departments confirm their restructure allocation of savings will be reallocated appropriately.

Appendix 3

Costs incurred in delivering the target operating model

Table 3 below provides a breakdown of one-off costs relating to the target operating model totalling £6.623m, of which is spent or committed to date against budget. There has been no change since the October report to Establishment Committee.

Table 3

TOM costs	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Budgets	0.155	6.42	5.39	11.963
TOM Programme Team	0.094	1.390	1.212	2.696
Termination costs	-	0.313	0.547	0.860
Flexible retirements	-	2.800	-	2.800
Other non-pay	0.040	0.131	0.096	0.267
Total Costs	0.134	4.634	1.855	6.623
Underspend	0.021	1.787	3.532	5.340

£3.9m and £1m budget was set aside for redundancy costs and flexible retirement respectively for 2020/21, with an underspend of £1.787m. Approval to carry forward this sum into the 2021/22 budget has been granted and is included in the analysis above. It is expected that these sums will be committed as and when departments go through their transition.

For the financial year 2021/22 the costs remain within budget.

Agenda Item 8

Committee(s) Establishment Committee	Dated: 03 December 2021
Subject: Social Mobility Index 2021	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 4, 5, 8,10
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	Y/N
Report of: Emma Moore, Chief Operating Officer	For Information
Report authors: Amanda Lee-Ajala, Acting Head of Equality, Diversity, and Inclusion	

Summary

This report provides the Establishment Committee, with an update relating to the positive outcome of the 2021 submission to the Social Mobility Index. The City of London Corporation has progressed from 50th position to 40th this year in the national league table. It was particularly praised for its work in areas including its work with young people, recruitment and selection processes and work toward greater data collection.

Recommendations

The Establishment Committee is asked to:

- Note this report.

Main Report

Background

1. The Social Mobility Employer Index was launched in 2017 to address the fact that a disproportionate number of people from affluent backgrounds,

private schools and elite universities get top jobs. It has grown to become the leading authority on employer-led social mobility. It assesses and ranks UK employers on the actions they take to ensure they are open to talent from all social backgrounds.

2. The Social Mobility Employer Index comprises of two elements: questions directed at employers, and an employee survey which was introduced in 2018. Employers are evaluated across seven areas: their work with young people, routes into the employer, the attraction of staff, recruitment and selection, data collection, progression of staff and experienced hires and advocacy.
3. The employee survey adds qualitative insights and contextualises the data provided in the employer submissions. The City Corporation did not participate in the employee survey this year (this did not affect its rating). Employers are then benchmarked against one another based on the results. The data and insights from this process are published in an annual Key Findings Report (Appendix 1) which features a ranking of the 75 top-performing employers on social mobility that year.
4. A total of 203 organisations employing over 1 million people, including major retailers, financial institutions, and Government departments, participated in the Social Mobility Employer Index this year.

Current Position

5. The City Corporation, which worked with the Social Mobility Foundation to set up the scheme four years ago, continues its upward progress having launched its Social Mobility Strategy and moved up from 66th place in 2018, 56th in 2019 and 50th last year and this year ranked 40th in the national league table of organisations, which work to attract and progress talent from a wide range of backgrounds.
6. The City Corporation was praised by the Social Mobility Foundation for its outreach work at schools with high levels of under-privileged young people, which it said was improving students' confidence and understanding of the sector. However, the feedback report commented that the Corporation is not currently flagging students from your outreach work when they go on to apply for recruitment programmes, internships, or permanent roles.
7. It is suggested that given work in this area is well targeted, it is likely that the young people encountered through outreach are often from backgrounds which are under-represented in the City Corporations workforce. The Social Mobility Foundation strongly encourages that this

data is collected as part of evaluating the impact of outreach work, to assess whether this work is having the desired effect.

8. The City Corporation also received praise for using anonymised recruitment and standardised interview questions and for offering opportunities to job candidates with lower levels of academic attainment. It is suggested that to elevate this work further, monitoring of the recruitment process should be established, to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down disproportionately. This would highlight the barriers that occur at those stages, so that they can be removed to level the playing field.
9. In addition to this, it is also suggested that looking at the relationship between social mobility and other areas such as gender and race could increase the richness of this data.
10. It should be noted that the feedback report (Appendix 2) includes deciles for each section. These refer to the percentage band that the City Corporation lies within for that specific section. The 1st decile represents being amongst the bottom 10% of organisations in the section, the 10th decile represents being in the top 10% in that section.

Corporate & Strategic Implications

11. This report is aligned to the City Corporation's Corporate Plan 2018-2023 by contributing to a flourishing society, people having equal opportunities to enrich their lives and fulfil their potential. Notably, for employees from lower socio-economic backgrounds. This will assist with building a sustainable diverse talent pipeline across the organisation in the future.

Implications

12. The City Corporation leads the Government-commissioned Socio-Economic Diversity Taskforce, which has over 100 employers represented across UK financial and professional services.
13. This progress will have a positive impact on the reputation of the City Corporation as it is able to showcase, some of the positive initiatives that it is actively implementing to become firm leaders in Equity, Diversity and Inclusion.

Conclusion

14. This is a great achievement, one that publicly affirms the hard work that departments are able to evidence across the City Corporation relating to this agenda. The feedback document sets out a clear route map of action

that can be taken to support current and future employees from lower socioeconomic groups and improve this score moving forward. It is therefore, proposed that the valuable feedback from the Social Mobility Foundation is utilised to inform the Corporate Equality, Diversity and Inclusion Action Plan that is due to be developed in the new year.

Supporting Documents:

Appendix 1 – Social Mobility Index Report 2021

Appendix 2 – City of London Corporation Feedback from the Social Mobility Foundation

Report Author:

Amanda Lee-Ajala

Acting Head of Equality, Diversity, and Inclusion, Operations

E: Amanda.lee-ajala@cityoflondon.gov.uk



EMPL_YER INDEX REPORT 2_21



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Top 75 employers

01	Browne Jacobson	17	DLA Piper
02	KPMG	18	Santander
03	Herbert Smith Freehills LLP	19	Baker McKenzie
04	Grant Thornton UK LLP	20	Department for Work and Pensions
05	Severn Trent	21	Aviva plc
06	PwC	22	Civil Service Fast Stream and Emerging Talent
07	Accenture	23	Cabinet Office
08	HMRC	24	Allen & Overy
09	Bryan Cave Leighton Paisner LLP	25	Capgemini UK
10	Enterprise Rent-A-Car	26	Crown Prosecution Service
11	Ministry of Justice	27	Slaughter and May
12	Deloitte	28	Linklaters LLP
13	CMS	29	DfT
14	Penguin Random House UK	30	Pinsent Masons LLP
15	Squire Patton Boggs	31	BBC
16	Department for Levelling Up, Housing and Communities	32	Sparta Global Limited

33	BEIS	55	Department for Digital, Culture, Media & Sport
34	Lewis Silkin LLP	56	Burges Salmon
35	Hogan Lovells	57	FDM Group Ltd
36	Legal & General	58	Department for Education
37	Freshfields Bruckhaus Deringer	59	Addleshaw Goddard LLP
38	Jones Laing Lasalle	60	Mears Group plc
39	MI6	61	The British Land Company PLC
40	City of London Corporation	62	Radcliffe Chambers
41	Phoenix Group	63	RPC LLP
42	Shoosmiths	64	abrdn
43	Simmons & Simmons	65	GCHQ
44	Brodies LLP	66	St. James's Place Wealth Management
45	Fujitsu	67	Taylor Wessing LLP
46	Home Office	68	Mishcon de Reya LLP
47	Eversheds Sutherland LLP	69	Ashurst
48	Osborne Clarke	70	White & Case LLP
49	Goldman Sachs	71	Schroders
50	Shepherd and Wedderburn	72	Auto Trader UK
51	DWF Law LLP	73	NEWTON EUROPE
52	Macfarlanes LLP	74	Mayer Brown
53	Clyde & Co LLP	75	Lloyd's
54	MI5		

Foreword



This is the fifth year we have published the Social Mobility Employer Index.

In that time it has become the authority on employer-led social mobility: growing from 98 entrants to 203 this year. In total this year's entrants employ 1.35m people. Over those five years employers have taken significant strides forward in their social mobility practices, guided by the counsel provided by the Social Mobility Foundation.

These are welcome developments. They are also more necessary than ever. The pandemic has exposed and exacerbated deep inequities in our society. If older people have been on the health frontline of the pandemic it is the young who seem doomed to suffer the biggest economic and social consequences. More than half of under-25s had been furloughed or lost their jobs by last June. Half a million of them are currently unemployed. In schools, the disruption caused by Covid has put poorer children seven months behind their more privileged peers at school. Grandparents and parents alike are concerned that the social progress they enjoyed will not be repeated for this and future generations of young people. They are right to be worried. There is a very real risk that already anaemic levels of social mobility will go into reverse as a consequence of Covid. Britain cannot afford a lost generation if we are to have any chance of levelling up our country.

Thankfully more and more employers are stepping up to the plate. The growth in the Index – especially the number of firms within sectors that have typically struggled with socioeconomic diversity – demonstrates that social mobility is no longer a niche interest. Instead, it has rightly become a core aspect of the diversity and inclusion agenda. The focus on the S in ESG has been sharpened. This is timely, given the growing public expectation that employers will play a role in solving the biggest challenges facing society.

I want to thank all the employers who entered the Index this year given the continued uncertainty and disruption they undoubtedly face. Spurred on by successive lockdowns, some employers have innovated in their

social mobility practices, such as rethinking outreach activity and university visits. The private businesses and public sector organisations in this year's Index are taking practical action of their own to level up Britain. They are ringfencing more internships for young people from lower socioeconomic backgrounds, adding social mobility sponsors at board level and working with clients to improve socioeconomic diversity in the supply chain.

In other areas of social mobility practice, however, there has been a lack of progress – particularly the lack of targeted interventions in social mobility geographical cold spots. More work is needed too on career progression, socioeconomic background data collection, training for managers and engagement with external recruitment support. Higher-level apprenticeships, long heralded as the silver bullet for social mobility, are offered by fewer employers in this year's Index and evidence is growing that they risk becoming the preserve of the middle-classes.

There is clearly still a long road ahead. Looking to the next five years, social mobility cold spots must be an unrelenting focus for employers alongside government. There can be no levelling-up if such deep geographical inequity persists. In addition, persistently unrepresented sectors, such as tech, must follow the lead of those newly represented this year, like leisure, sport and tourism, if we are to rescue the fraying promise of a meritocratic society.

More and more employers are committed to playing their part. A particular thank you and congratulations to the 38 firms who have participated in every year of the Index. I hope these firms have their sights set on ten years of participation, and that newer entrants take inspiration from such long-term commitment to creating more social mobility. All of the employers represented in the Index are showing that it is possible to create a society where it is not background or birth but aptitude and ability that dictate progress in life. They are proving it is possible to build back better.

Rt Hon. Alan Milburn
Chair, The Social Mobility Foundation

Overview

This report outlines the key findings from the 2021 Social Mobility Employer Index.

The Index has become the authority on employer-led social mobility since its creation in 2017, growing from 98 entrants to 203 this year. The employers represented in the 2021 Index collectively employ 1.35m people.

Seven key areas that drive social mobility in employer practice are assessed as part of the Index process. Our key findings across each area are set out below, along with our main recommendations for employers across the UK. Further detail is included in each chapter.



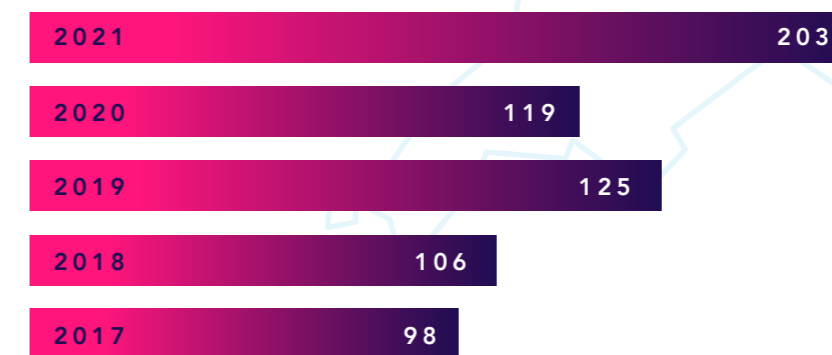
Social mobility cold spots

This term is used throughout the report to describe areas where social mobility is at its lowest. In these areas, people from lower socioeconomic backgrounds are much less likely to have the same opportunities as their better-off peers. This map indicates the 'coldest' of these areas as identified by the Social Mobility Commission.

Full list: Barrow-in-Furness, Blackburn with Darwen, Blackpool, Bolton, Bradford, Chiltern, Dudley, Fenland, Gateshead, Hyndburn, Kingston-Upon-Hull, Kirklees, Mansfield, North East Lincolnshire, Oldham, Pendle, Rochdale, Rotherham, St. Helens, Stockton-on-Tees, Thanet, Walsall, Wolverhampton, Wigan.



Number of entrants



93

NEW

110

RETURNING

38

PARTICIPATED FOR ALL 5 YEARS

Executive Summary

Index Participation and Employee Survey

We received 93 submissions from new employers who had never previously taken part in the Index, and 110 from those who had taken part in previous years. There were 38 organisations who had taken part in all five years.

This year we have seen a different demographic of entrants to the Index. On average, first-time entrants were smaller than returning organisations, with an average workforce of around 4,000 staff, compared to returning entrants whose average is almost 9,000.

It is excellent to see the growth in diversity of employers, as it reflects a widening understanding of the challenges around socioeconomic diversity. However, the changing demographic makes it difficult to compare some year-on-year statistics and we have indicated where this applies.

The most represented sectors in the Index are unchanged from 2020. Law made up 25% of entries (down from 30% last year); banking, financial services and insurance made up 18% (unchanged from last year), while the public sector made up another 16% (down from 22%).

In general, returning organisations were more likely to be following our recommended best practice. For example, we recommend collecting data on socioeconomic background, and returning organisations were two and a half times as likely to be doing so, three times as likely to collect data on parental occupation – our recommended main metric – and four times as likely to be collecting three or more data points.

Nevertheless, highly represented sectors are not always those which are the highest performers. Law firms, for example, continue to disproportionately hire from Russell Group universities. This year, Russell Group graduates were three times as likely to be successful when applying to a law firm as those from other universities.

We also seek employee engagement through an optional employee survey. This year saw 12,681 employee responses from 49 employers, with a response rate of 20%. In the main, employees have reported broadly positive perceptions of the inclusiveness of their organisations, across a range of questions, over the past five years. However, employees working in the public sector were the least likely to respond positively to all questions which indicates that there is more work to be done to create an inclusive workplace culture.



Key recommendations

Investigate whether the culture of your organisation is welcoming to all social backgrounds by participating in the Index's employee survey

Index entrants should encourage others in their sector and beyond to submit to the 2022 Index

01 Work with Young People

In total, almost 33,000 young people were reached through work experience programmes across 117 organisations. This is a significant increase on all previous years, which may be explained by higher numbers of Index entrants, but also supports comments from employers that being able to deliver work experience virtually has allowed them to reach a larger number of young people.

The percentage of young people participating in outreach who were eligible for free school meals (FSM) was at a five-year high of 58%, which is positive. Yet just 55% of employers were conducting outreach work in social mobility cold spots – down 5 percentage points from 2020; indicating a clear need for employers to better target outreach work.

Of the employers in the Index, 76% moved some or all outreach activity online, showing an ability to innovate rapidly. 89% of those employers are planning to run a blend of both in-person and virtual outreach in the future, even when government guidelines allow in-person work.

One downside was the number of employers who did not provide all the necessary technological support for those taking part in work experience. Some technology was more likely to be provided than others. Only 45% of organisations provided Wi-Fi routers, for example, whereas 72% offered laptops.



Key recommendations

Collect socioeconomic background data on the young people you are engaging with

Flag students from your outreach work in your recruitment process

Link your outreach to recruitment through sustained contact, tracking and support

Consider digital accessibility when delivering virtual outreach, i.e. laptops and internet connectivity

02 Routes into the Employer

This year, a lower percentage of employers offered routes into employment for apprentices, school leavers and graduates. This is a potential cause for concern, although it may chiefly reflect the smaller average size of an entrant this year, as well as the decision of several employers to suspend one or more programmes due to Covid-19.

Yet it is encouraging that, across all three entry routes, record intakes from lower socioeconomic backgrounds have been reported (compared with the previous four years). This may suggest that targeting is improving, or may indicate that some of the sectors newly represented in the Index are more likely to have historically employed individuals from lower socioeconomic backgrounds.

We saw 63% of employers offering internships in 2021, down from 85% in 2020, which may reflect changing hiring patterns due to the longer-term impacts of Covid-19; a number of employers said they had suspended internships for the year. Encouragingly, the number of employers ringfencing internships for young people from lower socioeconomic backgrounds increased to 37% (of firms offering internships, not overall Index participants; up from 29% in 2020).

A significant number of employers are recruiting only from a small number of universities, relative to their size, and it remains true in 2021 that Russell Group applicants have a significantly higher success rate when applying to graduate schemes than their non-Russell Group peers.



Key recommendations

Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool

Offer paid, structured internships which involve a rigorous selection process and provide a reference at the end

Ringfence internships for individuals from a lower socioeconomic background (SEB), using a good range of criteria (first generation; FSM; parental occupation)

03 Attraction

The impact of Covid-19 does not seem to have led to a drop in university visits. Around 18% of employers visited more universities in 2021, while 28% visited a similar number to previous years and 15% visited fewer universities. The remaining 39% either did not have graduate schemes, did not visit any universities or chose not to provide data.

Yet, while visits were up, 2021 saw the lowest number of different universities visited in any year since 2017, at 123 (down from 129 in 2020). Cambridge remained the most-visited university, and Oxford and Cambridge were visited more than 64 other universities combined.

While many employers were keen to highlight the benefits of delivering university visits online, such as lower costs and wider reach, other employers spoke of the difficulties in engaging with universities who did not have the technical capability to deliver virtual visits. This caused long delays to setting up visits and, in some cases, meant that employers were not able to visit certain universities at all.

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Many employers said they were likely to move to a hybrid model involving some in-person and some virtual visits. It would be damaging if this leads to a two-tier system where Russell Group universities are visited in person, while other universities must make do with virtual visits.



Key recommendations

Ensure that you achieve a good balance of Russell Group (RG) and non-Russell Group (non-RG) university visits

Track the conversion rate of RG/non-RG applicants to acceptances to ensure that the balance is maintained through the recruitment process, and that it is translating into a more diverse recruitment pool

04 Recruitment and Selection

In 2021, the clear majority of Index employers – 78% – are still recruiting with minimum grade requirements, although it is encouraging that more have at least analysed the rationale for doing so.

Just 25% of employers flagged students with certain socioeconomic background characteristics in the recruitment process; 42% of employers analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down; and only 42% of organisations who look at grades during the recruitment process put these into the context of the school or university a candidate attended. These elements are essential to enable employers to identify and challenge recruitment processes that favour more privileged applicants.

A higher number of organisations than previously scored 'being from an under-represented group' on applications (17%), though more organisations were also scoring 'amount of work experience' (35% and 'extra-curricular activities' (7%), which is more disappointing.



Key recommendations

Ensure you have a well-structured non-graduate route

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down

05 Data Collection

Many organisations are not collecting any socioeconomic data about their workforce, with 44% not collecting data from their current employees, 51% not collecting data from new entrants and 65% not collecting data from unsuccessful applicants. Just 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020. And only 49% of employers presented their socioeconomic background data at board level, down from 52% last year. Given the importance of collecting data in setting a baseline and measuring progress, this is a concern.



Key recommendations

Collect socioeconomic background data for new and current employees, consisting of at least three data points

Collect socioeconomic background data for unsuccessful applicants to give you an accurate picture of the recruitment process

Publish your data and, to ensure the data set is robust, consider setting completion rate targets

06 Progression, Culture and Experienced Hires

The percentage of organisations collecting data on retention and progression has fallen this year (from 19% in 2020 to 13% in 2021 on retention and from 24% in 2020 to 16% in 2021 on progression). And just 11% of organisations collect and analyse data about pay by socioeconomic background – in line with last year. Collecting this data is vital for organisations to measure and address the extent to which people from lower socioeconomic backgrounds can get on once recruited, so these numbers are disappointingly low.

Figures in this section were down across the board. Just 37% of employers examined whether those from lower socioeconomic backgrounds feel that the culture of their workplace is welcoming to them – down from 47% in 2020. Only 40% of organisations offered targeted buddying/mentoring, down from 48% in 2020, and just 32% provide employee networks, down from 40% in 2020. Only 16% of organisations said that they have a strategy in place for improving retention and progression for employees from low socioeconomic backgrounds.



Key recommendations

Start to collect data on retention and progression at your organisation using socioeconomic metrics

Assess whether your organisation has a class pay gap

07 Advocacy

Twice as many employers reported that their organisational approach to social mobility was being dealt with at board level in 2021 – 20%, up from 10% in 2020.

Advocacy work with clients and suppliers is improving. Around half (49%) of all organisations work with their clients to improve social mobility – the highest percentage in the past four years (7 percentage points higher than in 2020). However, employers continued to report that their clients are more likely to care about the gender or racial diversity of their workforce, rather than socioeconomic diversity. Finally, we saw that 36% of employers now set targets on social mobility, and in most of those cases, the targets are monitored at board level.



Key recommendations

Encourage employees to share their own social mobility stories

Develop and implement a social mobility strategy and publicly advocate for change in your sector

Employee Survey

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The Employee Survey was introduced to the Employer Index in 2018.

The survey provides wider context on the workplace culture of submitting organisations in addition to data submitted by their employers but is not compulsory. In 2021, an additional question was added to the four we have asked previously, to determine how accessible employees felt their employer had made remote working to employees from all class backgrounds during the Covid-19 pandemic.

More employers participated in the survey in 2021, although as a percentage of the total only 24% of Index participants took part, compared to 33% in 2020.

This resulted in 12,681 employee responses from 49 employers. Another encouraging sign was the average response rate for each employer at 20% (up from 14% in 2020).

The most commonly represented sector was law (32%) followed by the public sector (29%) and professional services (22%). And larger employers were more likely to respond. More than half the organisations with over 10,000 staff took part, compared to just a fifth of organisations with less than 5,000 staff.

It appears that while progress has been made, working-class employees still feel less comfortable than their middle-class peers in the workplace – particularly in the public sector.

However, the relatively low engagement rates must be factored into findings and do not allow us to make definitive conclusions.



Key Findings

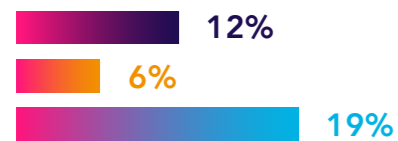
% who responded 'agree'



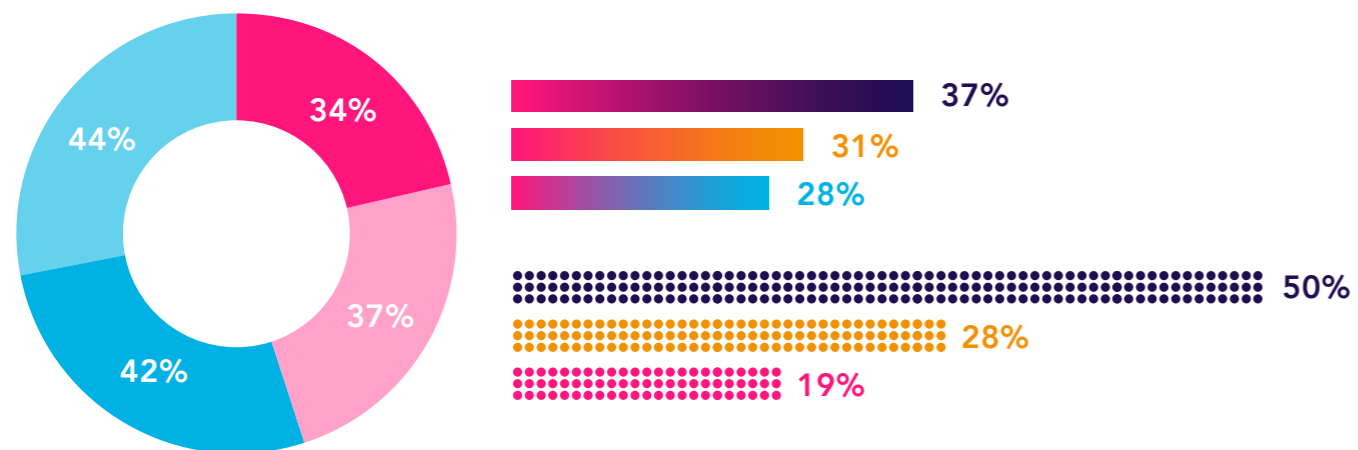
'My organisation is open to talent from all class backgrounds'



'I feel I have to hide my class background to get ahead in the workplace'



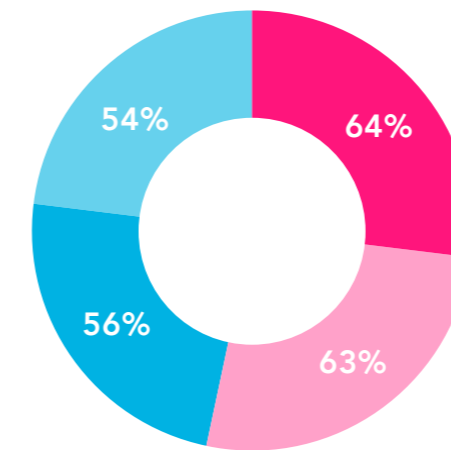
'People get ahead at my workplace because of who they know'



'The workplace culture in my organisation is inclusive of all class backgrounds'



'Our senior leadership is committed to improving the socio-economic diversity of our workforce'

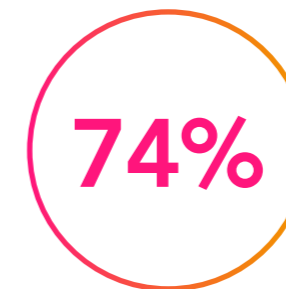


'I have not experienced barriers to career progression in my workplace due to my class background'



New question in 2021:

'My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic'



01 Work with Young People

This chapter reviews how effectively employers target young people from lower socioeconomic backgrounds, and whether employer outreach provides accessible routes into their profession for those with an interest and the aptitude.

The Index recognises employers that are moving towards well-targeted and well-evaluated employability programmes that are accessible to all.

Page 92

This year's results showed an extremely positive rebound in the number of young people reached through employers' outreach activities. More than 5.42 million students benefited from school outreach from 115 organisations. The figure is still down slightly on 2019, where the number was 5.62 million, but is still highly encouraging, compared to the 939,000 reached in 2020 at the height of the Covid pandemic.

Many firms in this year's Index tackled the pandemic by moving to virtual outreach work, with over half moving all outreach work online during the 2021 reporting period. And the trend looks likely to continue after the pandemic. Among organisations that delivered online outreach this year, 89% say they will deliver both in person and online outreach from now on.

It is disappointing that outreach is still not often targeted at social mobility cold spots. These areas have been badly hit by the pandemic and support here can make a huge difference to individuals and help level up the UK, but only 55% of employers in this year's Index are carrying out outreach work in social mobility cold spots – the second-lowest percentage in the last four years.

This year also saw a low percentage of organisations flagging students from their outreach work in their recruitment processes. Only 22% of organisations did so, compared with 35% in 2020 and 49% in 2019. Similarly, only 24% tracked educational outcomes – an 11 percentage point fall compared to 2020, and the second-lowest percentage since the Index started (14% in 2017).

Among those who did flag students, results were very positive; 68% are successful in getting those students into their recruitment pipeline, and 54% are successful getting them into permanent roles. This highlights how successful these outreach pipelines can be, and we urge all Index employers to flag students and track their progress.

This is important because Index entrants are still falling down on a key goal of the outreach process – creating a recruitment pipeline. In this year's Index, just 10% of employers managed to show a direct and sustained link between outreach and recruitment, which is the same as in 2020, and 2 percentage points lower than in 2019. Only 31% of employers were able to demonstrate a relatively strong link, less than in 2020 (35%) and 2019 (36%). We would urge employers to focus on strengthening the link between their outreach and support for young people, and their recruitment programmes.



Case study: Enterprise Rent-A-Car

Enterprise Rent-A-Car feed data from their work with young people into their applicant tracking system. They gather information from young people when they register for outreach and events, and send them useful employability content and job opportunities, and track them from event to hire.

Enterprise encourages sign-ups to their events by listing them on their careers site, launching targeted campaigns, and working with partner organisations. Everyone registering on the events platform is automatically invited to a virtual drop-in information session with the talent acquisition team, where any employability questions they have can be answered – a process which Enterprise says has led to a 10% increase in conversion from sign-up to application.

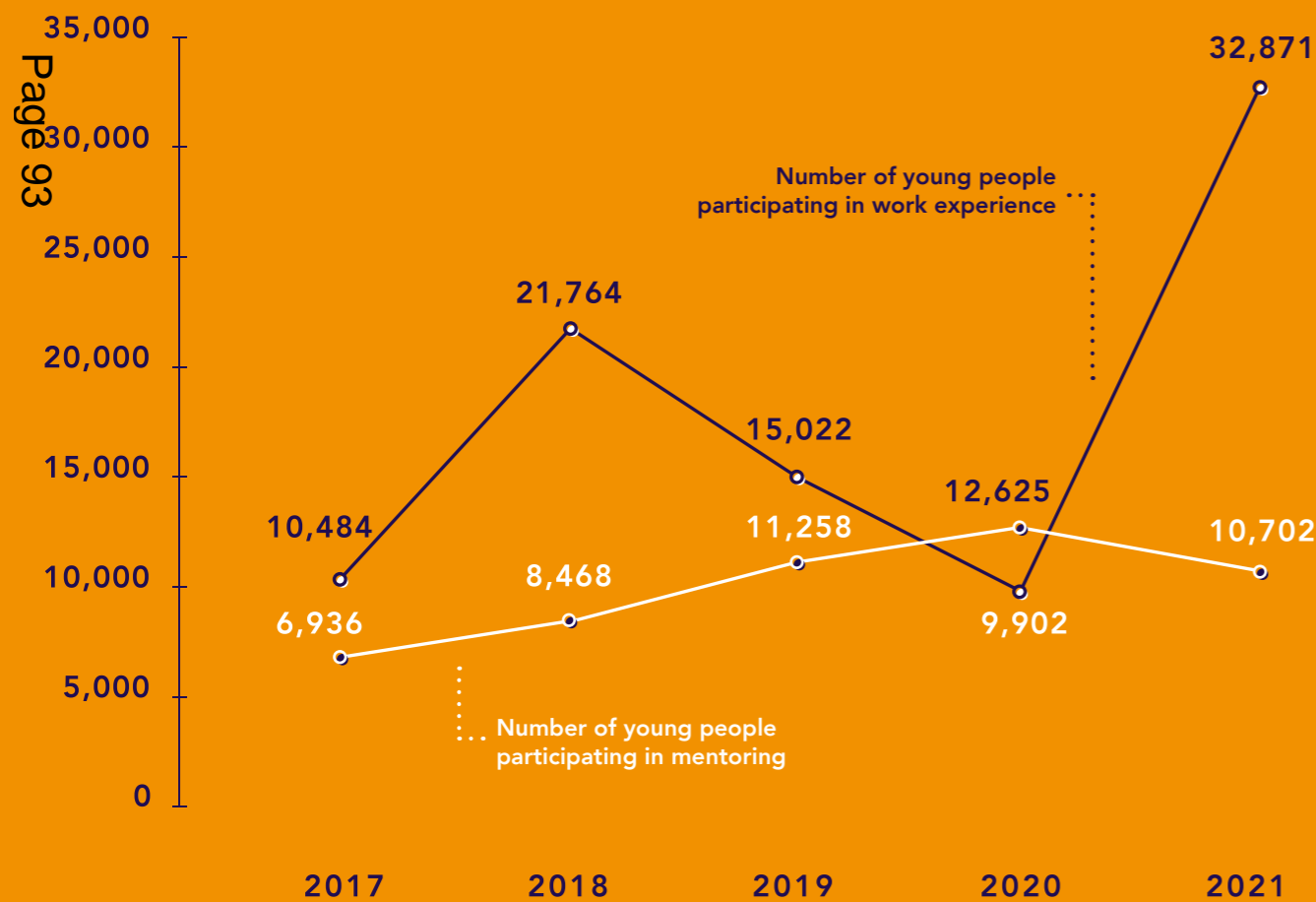


Case study: Mishcon de Reya

Mishcon de Reya ran virtual events with partners such as the Social Mobility Business Partnership, MyKindaFuture and UpTree, specifically designed to inform students about their apprenticeship programmes. In its events, staff shared application hints and tips, and charity partners followed up with more information, including application deadlines.

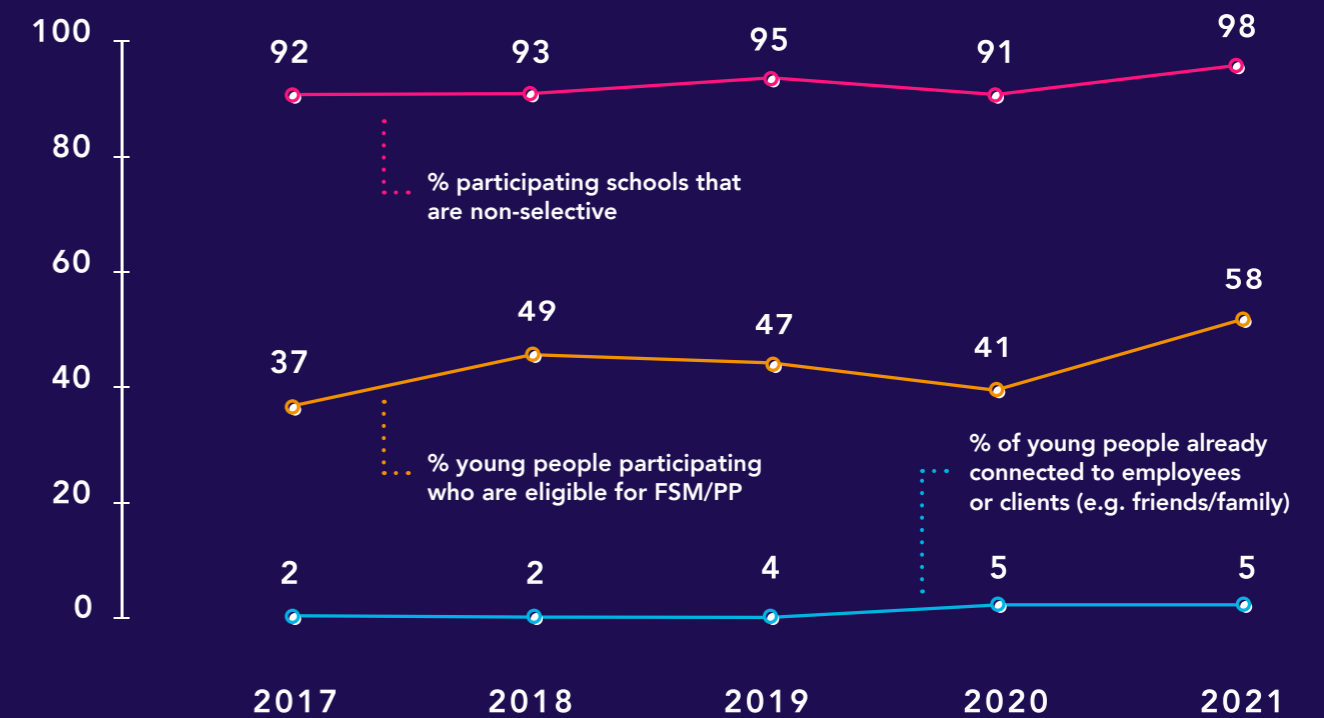
Individuals who didn't get an offer, and were identified as from a lower socioeconomic background, were invited to a mentoring programme which allowed them to work with a Mishcon lawyer and develop a plan for successful applications in the future.

Number of young people reached through mentoring and work experience



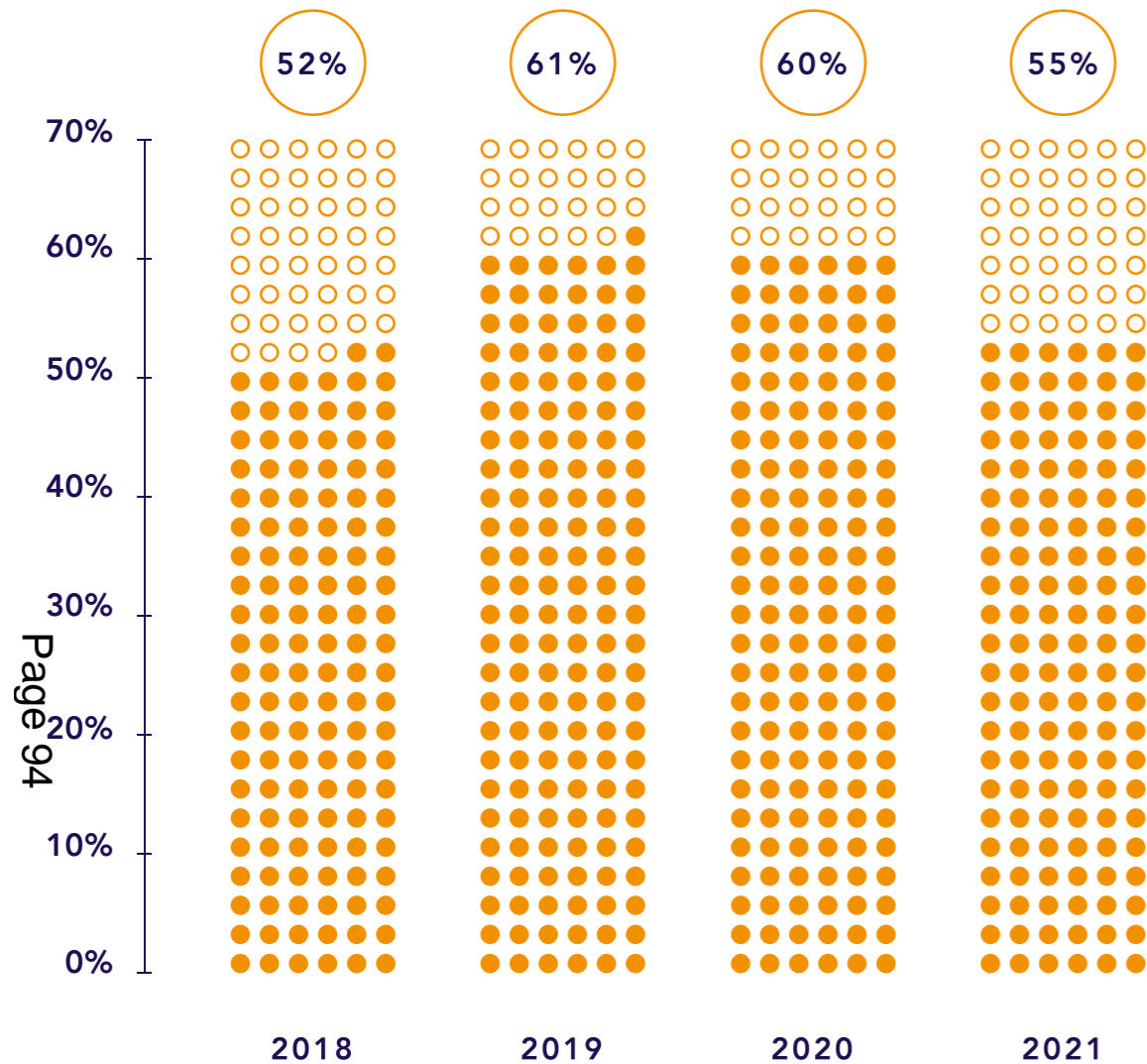
SEB characteristics of schools and young people participating in outreach activity

% of schools/young people participating in schools outreach by SEB criteria across all orgs who offer school outreach



Cold-spot targeting

% of employers targeting cold-spots



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If you only do



thing

Implement a more stringent approach to informal work experience placements that opens them to everyone – not just friends and family of existing employees.

Go 1 step



further

Link outreach to recruitment through sustained contact, tracking and support.

Experiences of education during Covid-19

Unheard Voices, a research-led initiative by the Department for Opportunities, established differences in how young people from working-class and middle-class backgrounds experienced learning during Covid-19:

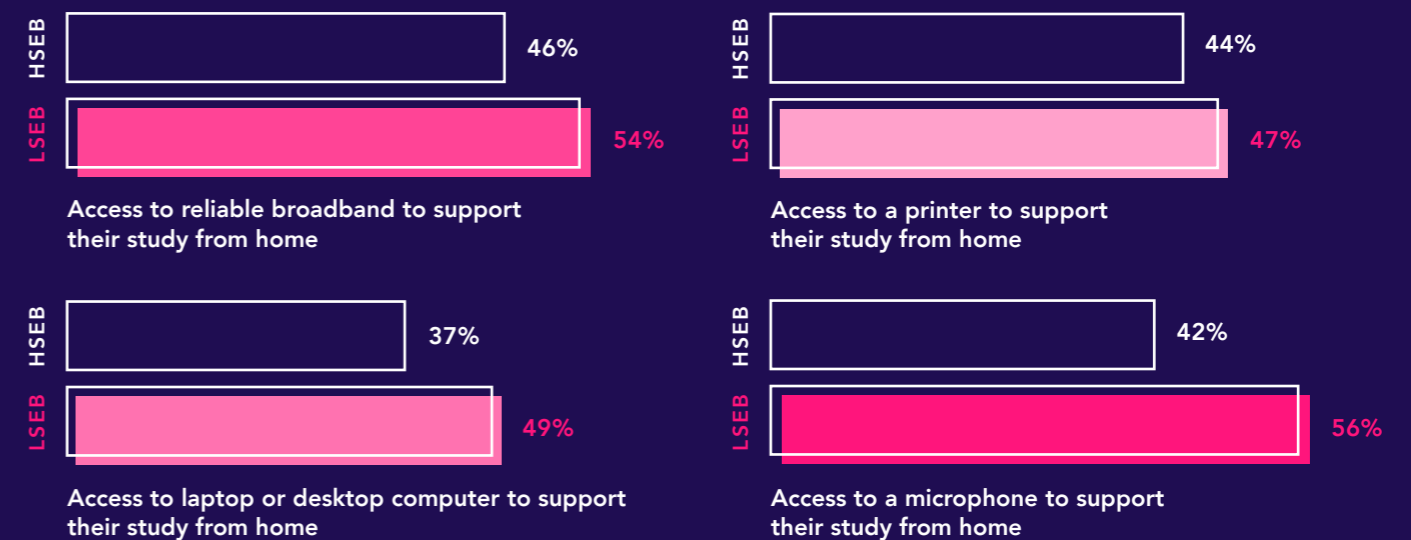


The pandemic impacted the quality of my education 'a lot'

51% LOWER SOCIOECONOMIC BACKGROUNDS

42% HIGHER SOCIOECONOMIC BACKGROUNDS

Access to equipment and resources that support learning has also been uneven:



02 Routes into the Employer

This chapter details the steps that employers are taking to create well-structured routes into their organisations. These routes should provide parity of esteem between non-graduate and graduate routes. For those who are hired as graduates, Russell Group candidates should not be automatically or unduly favoured in recruitment.

Page 95

The impact of Covid-19 has been felt disproportionately by students from lower socioeconomic backgrounds. A survey undertaken by the Social Mobility Foundation in January 2021, while schools were closed to the majority of students, found 40% of respondents from its Aspiring Professionals Programme did not have access to reliable broadband at home. Our campaigning and advocacy arm, Department for Opportunities (DO), established a disadvantage gap between working- and middle-class young people's experience of education during the pandemic (see box).

The long-term consequences of this disproportionately adverse impact on less advantaged young people are still being understood. In the immediate future, the widening attainment gap at A level and equivalent means it will be important to consider contextual offers and alternative routes in for the 2022 and 2023 cycle; and employers should continue to consider whether candidates have the resources needed to fully participate in virtual recruitment processes.



University recruitment

While almost all organisations accept degrees from any university (96% of employers with graduate schemes; 70% of all entrants), the average number of universities an employer recruits from fell to 28, compared to 34 in both 2020 and 2019. These figures should be considered in the context of newer entrants to the Index being less established than returning entrants.

Professional services firms performed well on this measure, hiring from 79 universities on average, as did public

sector institutions, which hired from an average of 59 institutions. Sectors hiring from fewer universities than average included banking, financial services and insurance (17); law (17); real estate (13); fast-moving consumer goods (9); and the third sector (9).

Competition for places appeared to be fiercer than normal across the board, with success rates for both Russell Group and non-Russell Group graduates dropping by one percentage point in 2021.

The gap between the two groups has somewhat narrowed over the five years the Index has run, but it has not yet disappeared. Russell Group applicants continue to have a higher success rate than their non-Russell Group peers.

This gap was particularly prevalent in law, where Russell Group graduates were three times as likely to be successful as their non-Russell Group peers.



Alternative routes

There was a drop in the number of organisations offering all pathways into employment. Just 80% of organisations offered apprenticeships in 2021, down from 85% in 2020 and 86% in 2019, and only 26% offered school leaver routes, down from 39% in 2020 and 54% in 2019. Similarly, only 76% offered graduate routes, compared to 92% in 2020 and 90% in 2019.

While the pandemic has undoubtedly affected recruitment, it was also

encouraging that the targeting of opportunities at lower socioeconomic backgrounds has continued to steadily increase this year. Across all three routes, we have seen record numbers of intakes who are from lower socioeconomic backgrounds, although it is disappointing that the percentage of apprentices from a lower socioeconomic background apprenticeships is not higher, when they are heralded as a golden opportunity for social mobility.

This is further evidence, building on DO research (see box) and the Social Mobility Commission's June 2020 report – which showed a 36% decline in apprenticeship starts by those from disadvantaged backgrounds compared with 23% for others¹ – that there is much room for improvement in how apprenticeships are designed, and how they are targeted to young people from low-income backgrounds. Creating more non-graduate routes must remain a priority for employers.

¹ Social Mobility Commission – Apprenticeships and Social Mobility (June 2020)

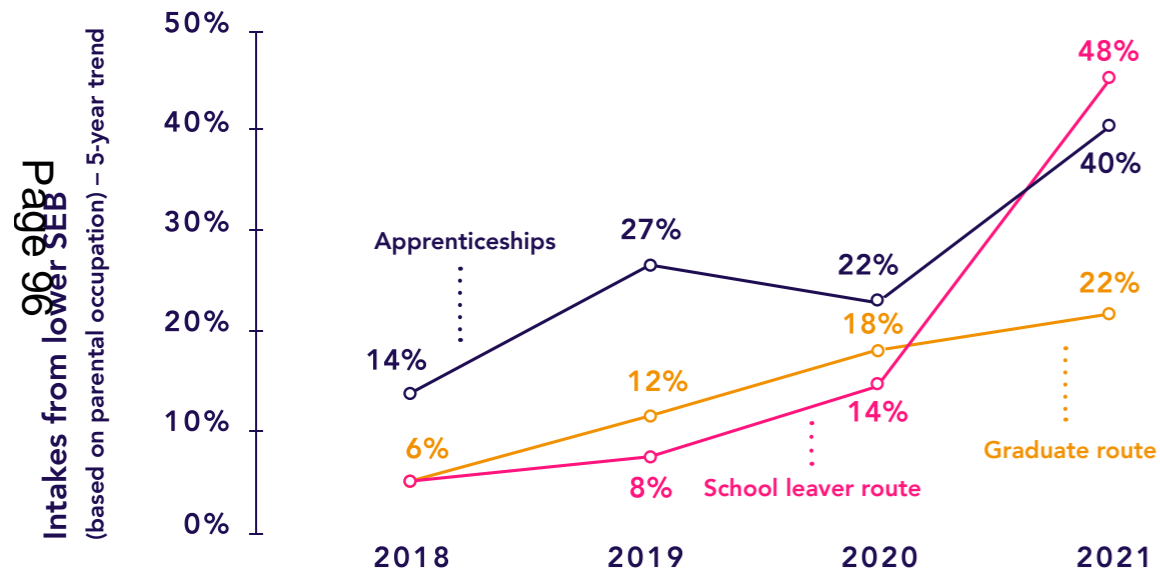
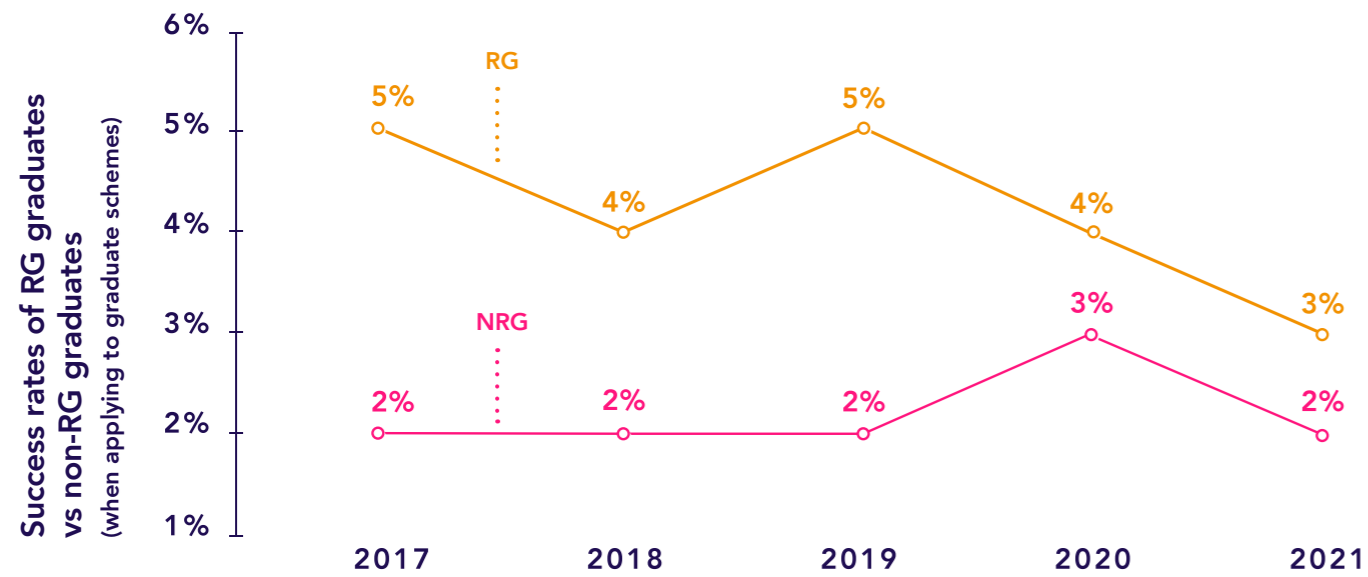


Case study: Grant Thornton

Professional services firm Grant Thornton hired 210 apprentices last year, compared to 194 graduates. All of Grant Thornton's apprenticeships are level 4-7, and 94% are degree level apprenticeships.

Grant Thornton review the socioeconomic background of their apprenticeships on several metrics, including whether the individuals recruited received free school meals or were the first generation in their family to attend university. All apprenticeships offer parity of esteem and opportunity, as apprentices can progress to the same level as graduates.



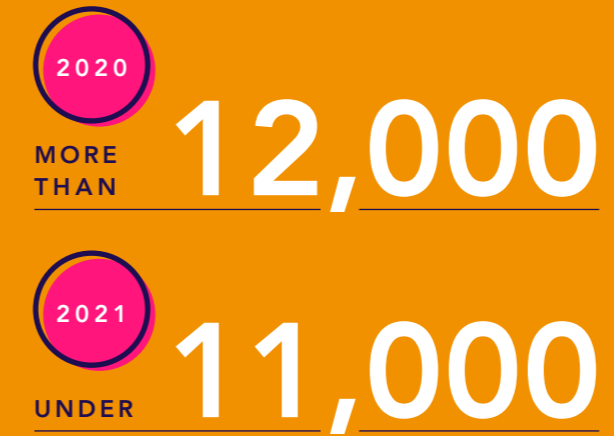


<p>If you only do 1 thing</p>	<p>Ensure you have a well-structured non-graduate route, and offer a pay and progression model for apprenticeships where individuals are rewarded for commitment and performance.</p>
<p>Go 1 step further</p>	<p>Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool.</p>

Issue to watch

This year, the steady upward trend in the number of young people receiving mentoring support came to an end. The number fell this year to under 11,000, compared to more than 12,000 in 2020.

Our Unheard Voices project revealed that LSEB young people (unsurprisingly) value specific careers advice. Mentors and private tutors had the most impact on raising aspirations of these young people. Employers should consider the positive impact mentoring can have and aim to expand this outreach going forward.



Voice of young people

In 2021, we introduced a question to determine whether or not organisations ensured they had the equipment needed to take part in virtual work experience. It is positive to see that a relatively high number do so – 78%. Of those that provide equipment, 72% offer laptops, 47% offer support headsets and 45% offer Wi-Fi routers.

Despite low numbers offering Wi-Fi routers, in our recent Unheard Voices survey young people told us that their access to stable internet connections was a more common barrier than not owning a laptop or tablet. Just 46% of those from a lower socioeconomic background had access to reliable broadband to support their studies.

Employers should take this into account to ensure young people have the connection and equipment they need to take part in placements.

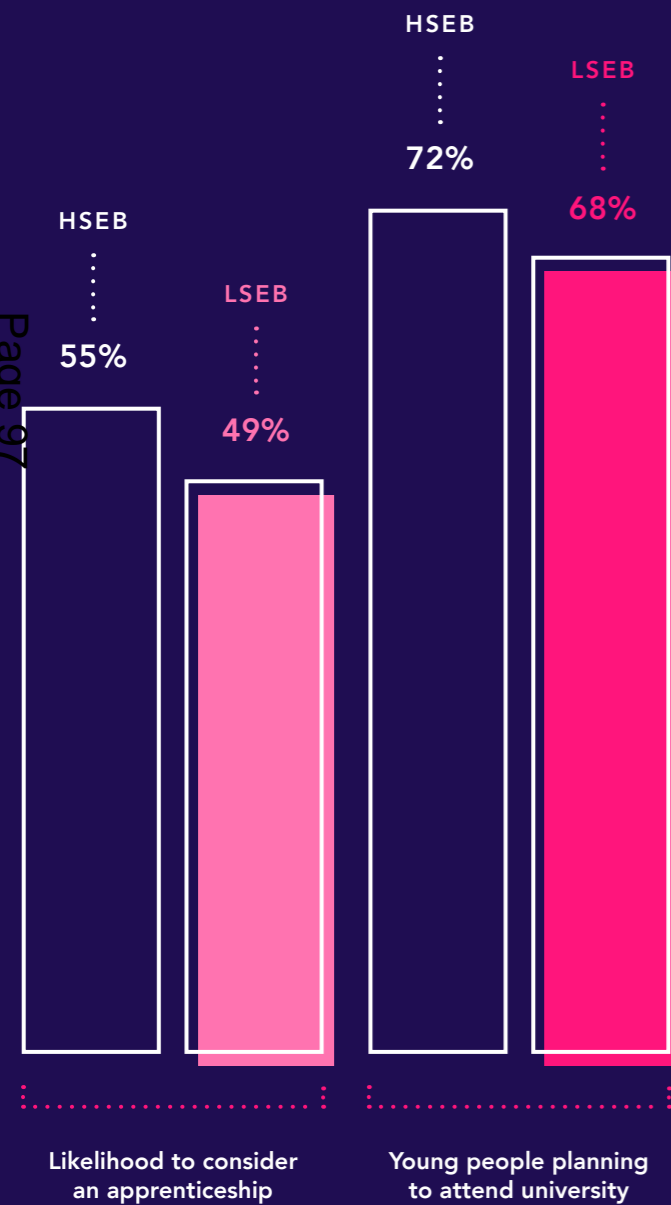




Unheard Voices recommendation: **what young people want**

Unheard Voices, a research-led initiative by our campaigning and advocacy arm Department for Opportunities, shows young people from higher socioeconomic backgrounds are now more likely to consider an apprenticeship than their less-privileged peers:

Likelihood to consider apprenticeships or university



This suggests disadvantaged young people do not see apprenticeships as a viable route into the top-paying jobs.

We are also concerned that the uneven distribution of apprenticeships across the country, coupled with the low pay received while training, could mean they are largely unviable to those who cannot live at home or with a family member.

Employers should consider higher- or degree-level apprenticeships to ensure they are viable for those from LSEB offers and target outreach in social mobility 'cold spots'.



03 Attraction

This chapter analyses the extent to which organisations recruiting graduates seek to attract applicants from universities outside the Russell Group.

The Index rewards employers that make an active effort to diversify their attraction methods, ensuring they reach those from lower socioeconomic backgrounds.

Covid-19 had a significant impact on university outreach in the 2021 Index reporting period, with overall numbers down across the board. Index employers collectively visited 123 different universities. This is the lowest number since 2017. They also, on average, individually visited fewer universities than in previous years: just 47 in 2021, compared with 84 in 2020 and 72 in 2019.

Most organisations moved their university visits online due to Covid-19 restrictions, although some still managed to deliver face-to-face visits; a small number of employers did not have any contact with universities in the 2021 reporting period.

One piece of good news was that the proportion of visits to Russell Group universities fell again this year, by one percentage point, to 53% of all visits. This is a positive sign, since Russell Group universities are less likely to be attended by young people from a lower socioeconomic background, and it appears employers are acting positively on our advice to diversify the types of universities they visit. Despite this, however, outreach to Oxford and Cambridge remains disproportionately high. These two universities were visited more than 64 other universities combined in 2021. Cambridge was once again the most visited university.

Of the 124 organisations that delivered virtual university visits, 70% said they intended to return to a mix of in-person and virtual visits, while 10% of organisations said they would mainly run in-person university visits. A further 6% said all of their university visits will remain online, and 15% said they did not know their approach going forward as yet.

We believe a blend of face-to-face and virtual could help increase the number and reach of universities visited, whilst also offering the vital real-life experiences that face-to-face outreach offers. Yet we are concerned that 72% of all visits to non-Russell Group universities were online, compared to 52% for Russell Group universities. Where a hybrid model is implemented, caution must be taken to ensure it is not only Russell Group universities that benefit from the enhanced experience of face-to-face delivery.



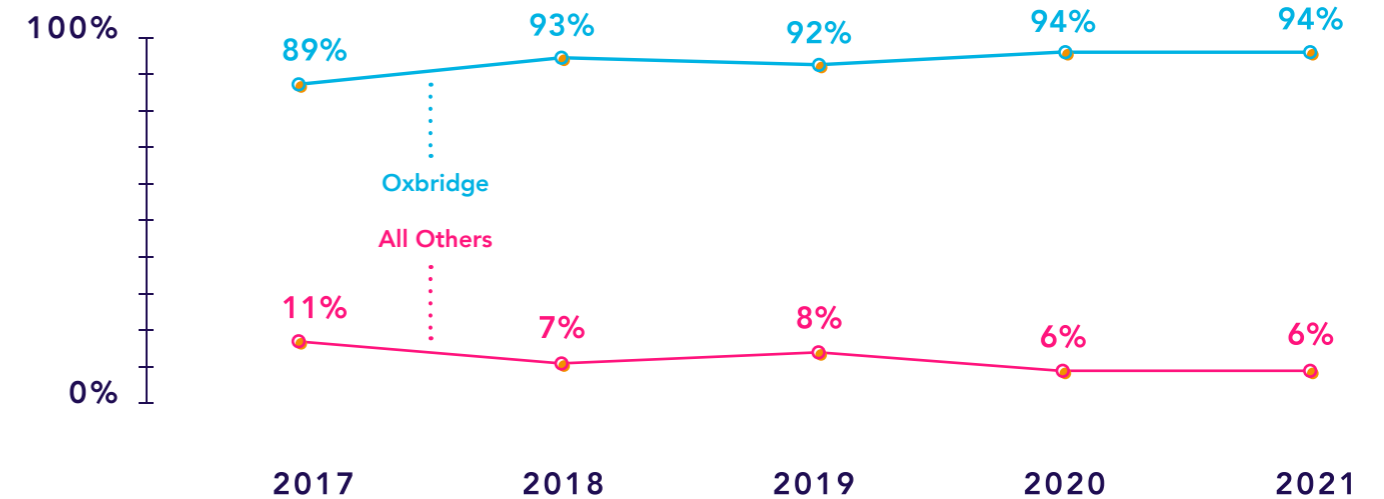
Case study: MI5, MI6 and GCHQ

'Attraction' is not just about numbers; ensuring there is a good ratio of outreach visits to both Russell Group and non-Russell Group universities is an important first step, as this often translates into greater diversity in the application pool. MI5, MI6 and GCHQ recognised their graduate schemes already received significant applications from the Russell Group, and far less from non-Russell Group universities.

In 2020 the Intelligence Agencies made a decision to broaden outreach activity, using HESA data to identify the institutions with the highest representation of students from lower socioeconomic backgrounds and focus the investment of outreach resources at these universities. Numerous virtual events were held at institutions including Bradford University, University of East London and Northumbria University to attract a wider and more diverse range of students and encourage them to consider a career with the Agencies.

Five-year trend

Visits to Oxbridge vs. all other universities



If you only do
1
thing



Ensure that you achieve a good balance of Russell Group and non-Russell Group university visits.

Go
1 step
further



Track the conversion rate of Russell Group/non-Russell Group applicants to acceptances to ensure that a balance between the two is maintained through the recruitment process, and that it translates into a more diverse recruitment pool.

04 Recruitment and Selection

This chapter examines recruitment and selection processes which, too often, reward 'polish' – which is commonly associated with applicants from more privileged backgrounds – over potential. The Index recognises employers that implement clear measures to address this. There are two main categories of action: a) removing barriers that prevent individuals from lower socioeconomic backgrounds progressing to selection; and b) rewarding current ability and future potential over past academic performance.

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The typical recruitment and selection process is at risk from elements of class bias, which puts young people from lower-socioeconomic backgrounds at a disadvantage in comparison to their more privileged peers. For example, research carried out last year by Accent Britain showed that job candidates with a Received Pronunciation (RP) accent were seen as more informed and more suitable for professional employment, even when speakers of other accents gave identical answers¹.

Recruitment models still place too much emphasis on academic performance and university attended, again strongly associated with higher socioeconomic background, rather than potential to excel in the role being recruited for; in 2021, 78% of Index employers still had minimum grade requirements. This figure has remained consistent across several years, although most employers do now offer a rationale to explain why they have chosen those particular grades.

When scoring applications, it is positive to see more employers positively scoring being from an under-represented group within the organisation's workforce (17%, up 10 percentage points) this year. Yet we also saw more employers scoring degree subject (19%, up 7 percentage points) and amount of work experience (35%, up 8 percentage points) which could put lower socioeconomic background young people at a disadvantage.

Employers should consider a targeted process to remove these barriers, and some employers are starting to do so; 25% of employers flagged students with certain socioeconomic backgrounds characteristics in the recruitment process, 42% analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down, and 32% take a second look at candidates from lower socioeconomic backgrounds to check there was no context missed.

Blind recruitment, which involves the removal of personal indicators, is an opportunity to protect against bias. A growing number of employers are removing applicant names from an application, with 48% doing so this year, compared to 46% last year and 35% in 2019. Similarly, 38% are removing grades, up 37% from last year.

However, the number of employers removing candidates' universities fell to 40% from 46%. This is bad news, because where universities are visible recruiters tend to favour Russell Group universities, which tend to have less diverse student bodies.

¹ Accent Bias in Britain – Attitudes to Accents in Britain and Implications for Fair Access (2020): <https://accentbiasbritain.org/wp-content/uploads/2020/03/Accent-Bias-Britain-Report-2020.pdf>



Case study: Severn Trent

Water company Severn Trent carried out a review and redesign of its early careers recruitment processes in the last year, looking at the performance of recent recruits to understand how they were performing against the company's values.

As a result, the company removed two of the nine core strengths from the recruitment framework, including removing a focus on business affinity and commercial awareness, which they expect to create an even playing field for recruits from lower socioeconomic backgrounds.

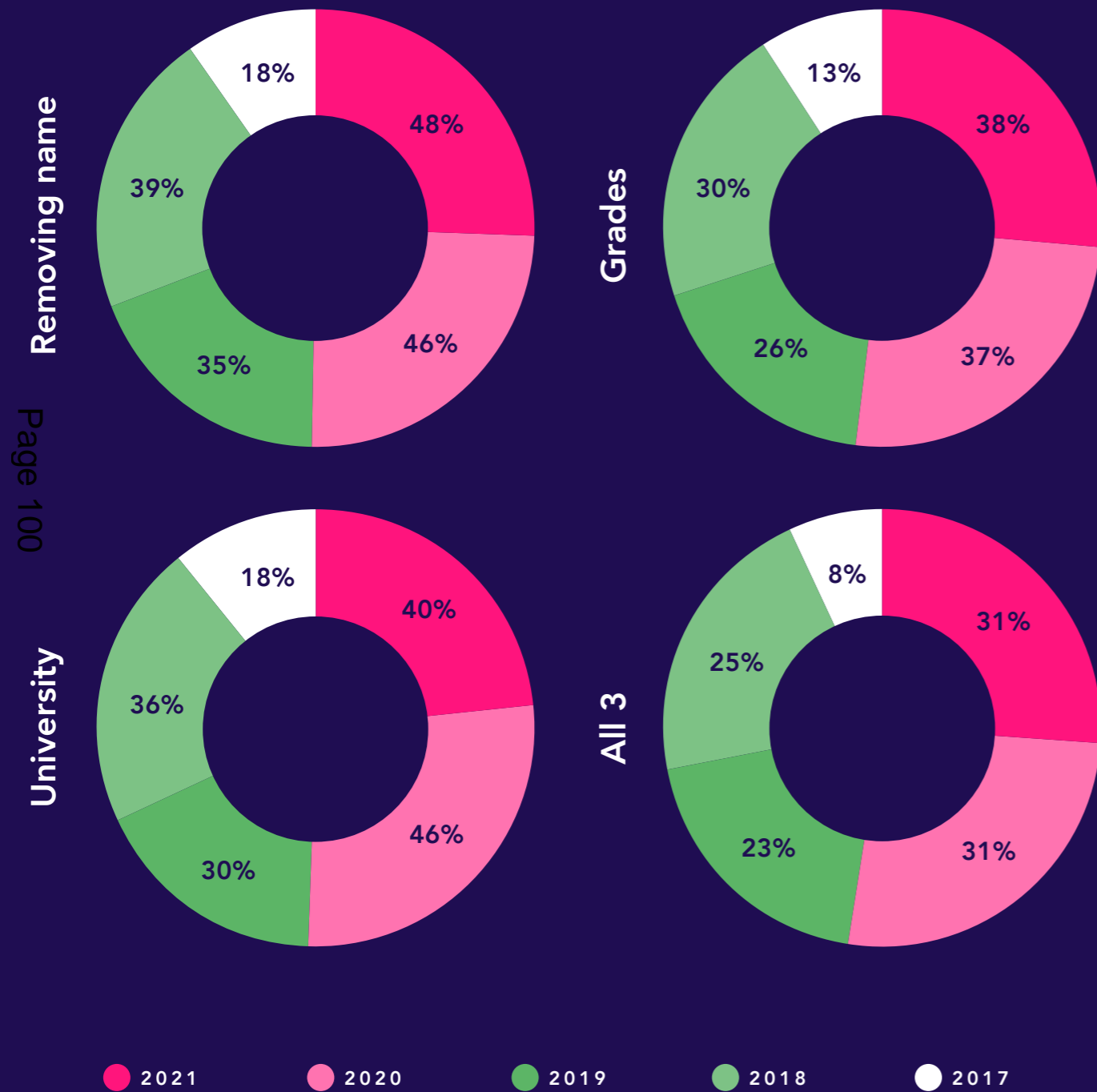
Case study: Pinsent Masons

When recruiting graduates or apprentices, it helps to understand the context in which they have obtained their grades and the barriers they may have faced along the way.

Law firm Pinsent Masons uses the Rare Contextual Recruitment system, which looks at socio-economic, personal and academic flags, including whether an individual received free school meals, was in the first generation of their family to attend university, worked a high number of part-time hours while studying or grew up in local authority care.

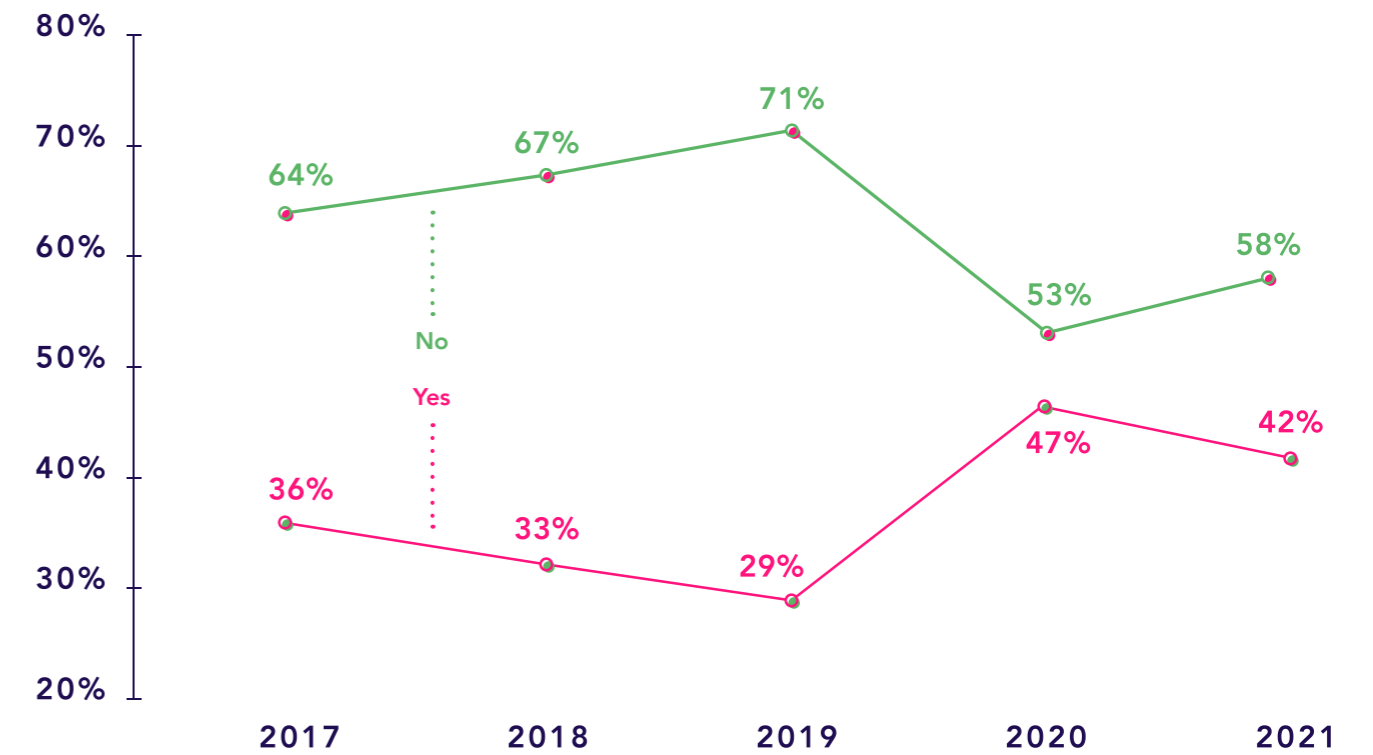
Understanding a candidate's academic record, their extra-curricular achievements and work experience in the context of individual circumstances better enables employers to level the playing field when considering applicants for assessment. The Rare system also awards candidates a performance index ('PI') score based on how they have academically outperformed their school peers (attending the same school).¹⁷ Rare candidates will join the firm in 2022 and each have one flag or more and/or a PI score over 30.

Blind recruitment across five years



Grades put in the context of school or university across five years

% of organisations contextualising grades



If you only do



thing

Flag candidates with certain socioeconomic background characteristics in the recruitment process.

Go 1 step



further

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down.

05 Data Collection

This chapter examines the extent to which employers collect and analyse data to understand their workforces' socioeconomic profile.

The Index recognises companies who collect data and rigorously analyse it, using the insights it gives them to improve their diversity.

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For employers to develop a realistic social mobility strategy, they need to first understand their current context; it is vital to have a clear picture of the socioeconomic background of the existing workforce, and that requires effective data collection.

We have seen improvement in socioeconomic data collection over the five years the Index has run, yet with the significant growth in participation in 2021 we have seen a decrease in the overall proportion of employers collecting data, which reflects that employers earlier on in their social mobility journey are not prioritising data collection as a vital starting point.

51% of employers did not ask any socioeconomic background questions of their new entrants, and 44% of employers are not asking any socioeconomic background questions of their current employees. The Social Mobility Commission's data toolkit¹ recommends that employers administer an annual diversity survey as a method of collecting socioeconomic background data on their workforce. In 2021, 53% of Index entrants did this. Those without data will not understand the location and scale of the social mobility issues that need tackling, which makes prioritisation difficult, and therefore we have urged all participants to start data collection as soon as possible.

¹ <https://socialmobilityworks.org/toolkit/data/>

² The Commission also provides useful guidance on encouraging employees to disclose data

Completion rates of these surveys are on a downwards trend: 61% in 2021, 60% in 2020, 72% in 2019, 80% in 2018, and 82% in 2017; though this must be considered in the wider context of new entrants who may have only started to embed a culture of socioeconomic data collection recently.

In 2021, 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020.

Meanwhile 49% of employers presented their socioeconomic background data at board level, compared to 52% in 2020, although the five-year trend is broadly positive on this issue.

Collecting data is the vital first step in creating more inclusive workplaces, revealing the location and scale of the problems that need tackling. We urge all employers to consider data collection as a priority area for 2022. This may require close collaboration with HR given internal processes and systems must support data collection. Comprehensive guidance has been provided to participating employers and non-participants should review the Social Mobility Commission toolkits².



Case study: HM Revenue & Customs

This is the second year that the annual Civil Service People Survey has included standard questions on socioeconomic background, and this year, HMRC was able to look much closer at what the data showed about the overall make-up of the organisation, at every grade and across all their locations. The information has been shared with regional leads and is being used to review and inform future strategy.

HMRC is now also capturing this data on their HR system. They collect five data points on existing staff, such as type of school attended, eligibility for Free School Meals, parental occupation during childhood and highest parental qualification. HMRC also collects data on both new hires and unsuccessful job applicants.

% of employers collecting SEB data

NEW ENTRANTS



Type of school attended



Type of school attended with 'state school' broken down into selective and non-selective



Parental occupation



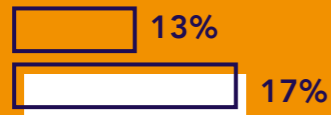
Eligibility for Free School Meals/Pupil Premium

2020



Whether or not parents attended university

2021



Postcode during secondary education

CURRENT EMPLOYEES



Type of school attended



Type of school attended with 'state school' broken down into selective and non-selective



Parental occupation



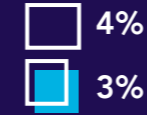
Eligibility for Free School Meals/Pupil Premium

2020



Whether or not parents attended university

2021



Postcode during secondary education



<p>If you only do</p>  <p>thing</p>	<p>Collect socioeconomic background data for new and current employees, consisting of at least three data points.</p>	<p>Go 1 step further</p> 	<p>Publish your data and, to ensure the data set is robust, consider setting completion rate targets.</p>
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06 Progression, Culture and Experienced Hires

This chapter examines how employers measure the social mobility of their existing employees and the strategies being undertaken to create an inclusive workplace culture. Social mobility is not just about individuals from lower socioeconomic backgrounds getting in and starting a new career; it is equally about having the ability to flourish and progress at work.

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Only 10% of those from working-class backgrounds make it into Britain's higher professional and managerial occupations, according to The Class Ceiling (Sam Friedman and Daniel Laurison, 2019).

Yet even when those from lower socioeconomic backgrounds make it through the doors, progression is still an issue, as highlighted in research by Bridge Group which found in 2020 that employees in financial services from lower socioeconomic backgrounds progress 25% more slowly than their peers, with no link to performance.

Similarly, research by the Social Mobility Commission finds that those from poorer backgrounds are still paid an average of £2,242 (7%) less. In some instances, the class pay gap is as high as £6,800 (17%).

The percentage of organisations collecting socioeconomic background data on retention has fallen to 13% in 2021, from 19% in 2020. For progression it has fallen to 16% from 24%, and on pay it is unchanged at just 11%.

While there is scope for improvement on data collection, there has been a welcome increase in the proportion of employers focusing on the inclusivity of their leadership. 42% of organisations offered diversity awareness training with a focus on social mobility. 87% of these organisations provided training specifically for managers and leaders.

There were fewer organisations offering buddying and employee networks (of those from similar backgrounds) this year, though there has been a positive five-year trend of more and more organisations offering support with passing exams, as well as mentoring and leadership programmes to encourage progression.

Case study: KPMG

Professional services firm KPMG has said it will aim for 29% of partners and directors to be from lower socioeconomic backgrounds by 2030, using a measure based on parental occupation.

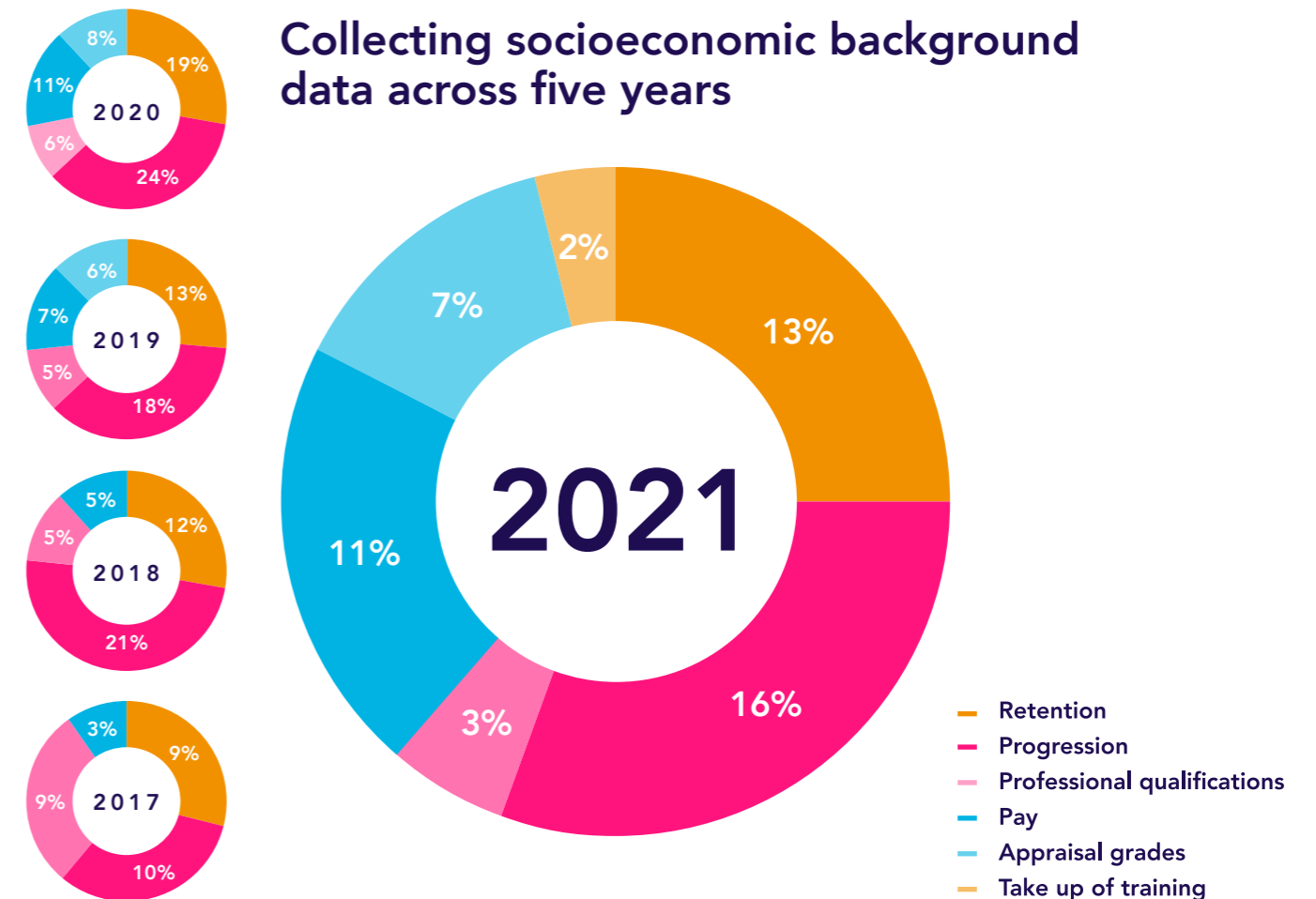
Currently 23% of the firm's partners and 20% of its directors are from a lower socioeconomic background. The group will launch new recruitment programmes, as well as mandatory training for all its 16,000 staff.

KPMG's commitment to progression is particularly pleasing because it is not just measuring progression, but also making the data and commitment public.

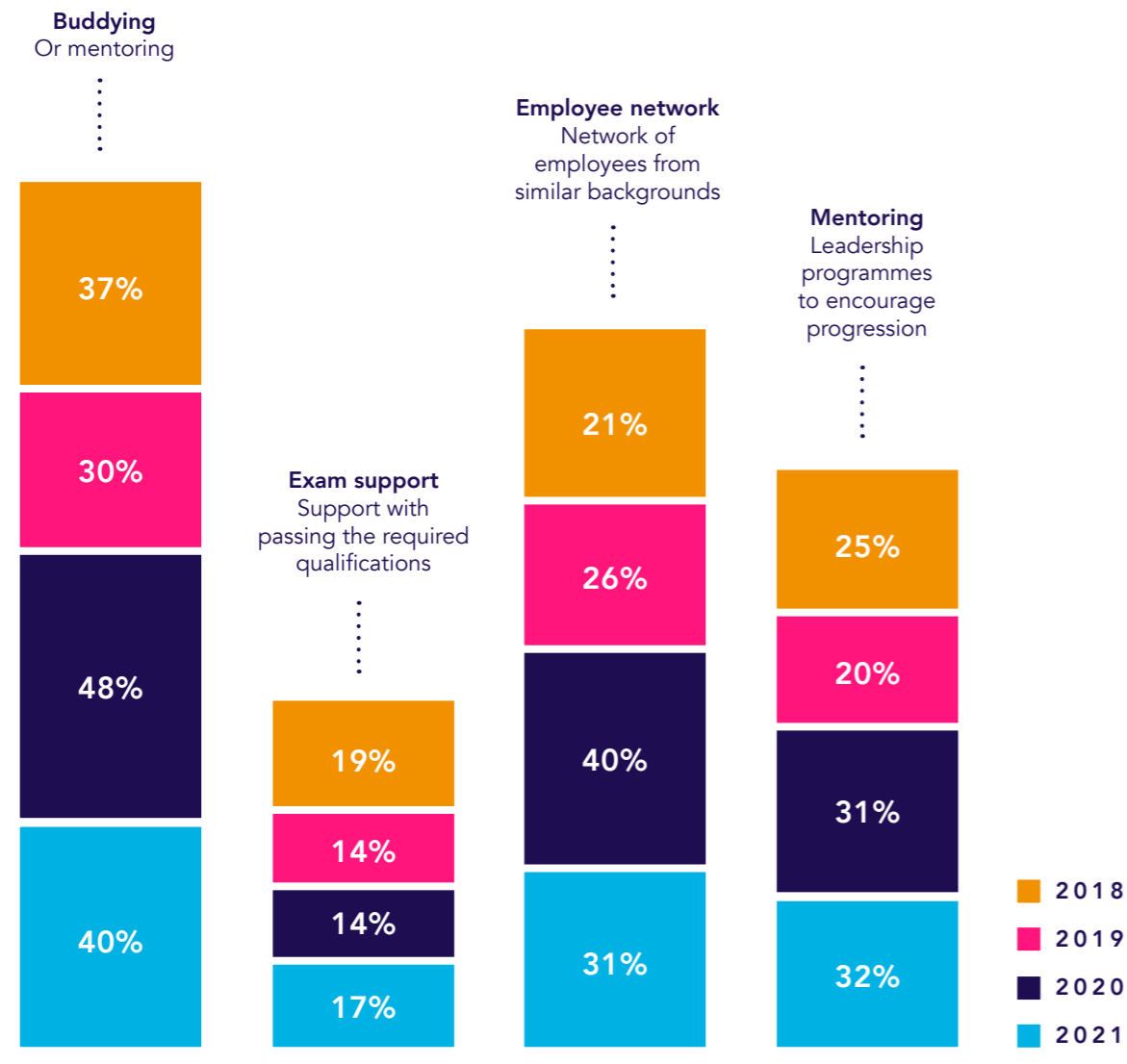
Case study: PwC

Professional services firm PwC is also taking actions to close pay gaps for people from lower socioeconomic backgrounds, and plans to introduce targets for headcount by grade, similar to targets the firm already has in place for gender and ethnicity.

PwC revealed a 12.1% median socioeconomic background pay gap this year – the first time it has measured this figure. It now has disclosure on background from 80% of employees and has used this to build a picture of pay differentials, as well as finding that 14% of staff reported themselves to come from a lower socioeconomic background. It has published an action plan to increase social mobility across the employee lifecycle.



Support provided by employers to new starters (since 2018)



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If you only do



thing

Start to collect data on retention, progression and pay at your organisation using socioeconomic metrics.

Go 1 step



further

Assess whether your organisation has a class pay gap and publish this data.

07 Advocacy

This chapter reviews the advocacy work that organisations do to improve social mobility. Those who perform highly in this section are the employers who take action to engage staff, suppliers and clients in their efforts. As the UK continues to recover from the economic damage of Covid-19, it is vital for organisations to raise awareness that the pandemic has had an outsized adverse impact on those from lower socioeconomic backgrounds.

It is pleasing to see that more and more employers are putting the focus on advocacy within their organisations. In 2021 there was a 10 percentage point increase in the number of employers who said their approach to social mobility was dealt with at board level, up to 20%, while a further 41% said it was dealt with at executive level, up from 40% the previous year. This is excellent news, particularly in the context of the overall increase in Index participation, because senior buy-in is crucial to success, and we would like to see social mobility prioritised at the highest level of the organisation.

Employers also put more focus on encouraging employees to share personal stories via blogs and networks, with 70% doing this – up from 69% in 2020 and 62% in 2019. And employers were not just working with their own employees, but also with external clients and suppliers. This year, 49% of employers said they worked with clients to improve social mobility, up from 42% last year.

However, firms said their clients were more likely to care about gender and racial diversity than socioeconomic diversity. And there was also a fall in the number of employers who said clients cared about socioeconomic diversity, down to 74% from 86% the year before. Ensuring that the intersectionality of social class with other forms of disadvantage is better understood, and efforts on workplace inclusion address this intersectionality, will be crucial to enabling employers to continue making progress on social mobility.





Case study: Mears Group

Housing and social care provider Mears Group works with clients to gain contractual commitments with a focus on improving social mobility. Mears Group contract work in Rotherham, for example, prioritised social value by investing in the people and community in the form of apprenticeships, work placements, community work, school engagement and recruitment approaches.



Case study: MediaCom

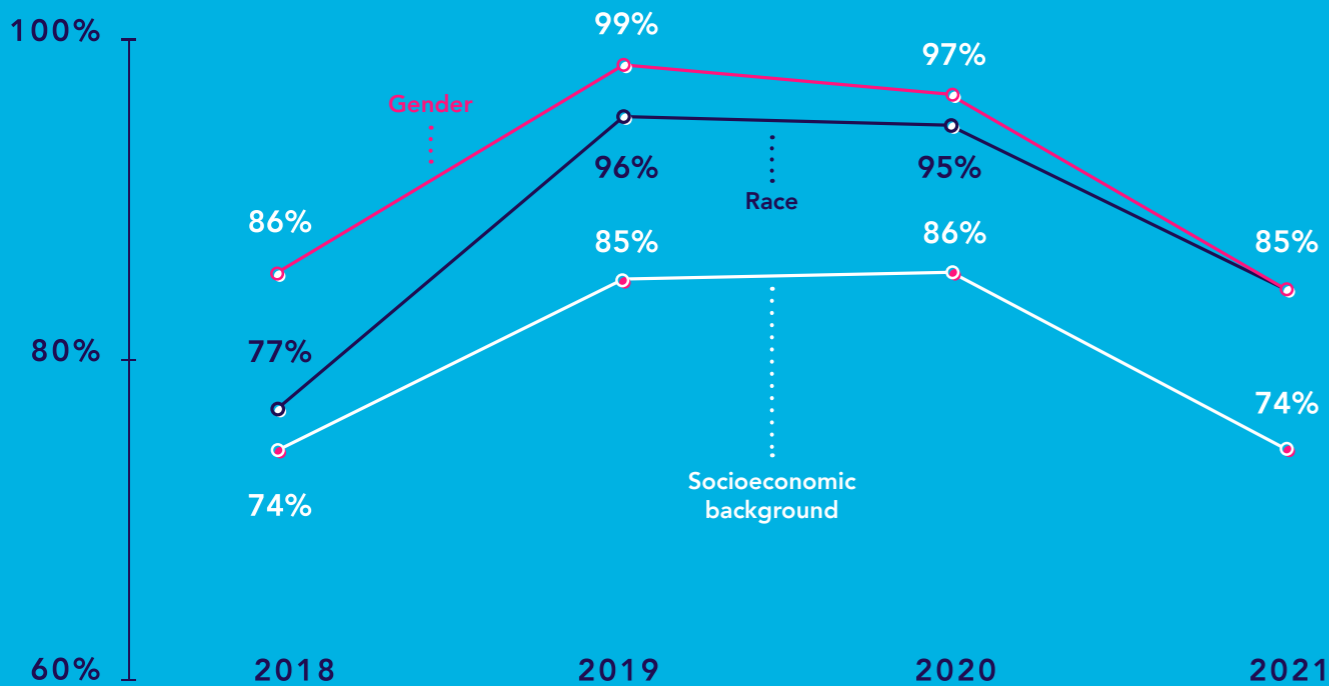
MediaCom, a specialist media communications firm, last year launched an initiative to make sure that its campaigns and partnerships featured a diverse set of voices which were reflective of the community we exist in. The Inclusive Planning campaign involves an internal steering committee to act as internal consultants and role model behaviours. MediaCom works closely with charities and others who act as a voice for underrepresented groups, and works with all clients to ensure that this Inclusive Planning approach, including a focus on social mobility, is included in all campaigns.

Employers encouraging personal stories of social mobility



Client interest

% that feel their clients care about SEB diversity vs. race vs. gender



Work with government on social mobility

IN 2021

28%

of organisations worked with local government

7%

worked with a devolved government

33%

worked with the UK government

If you only do



thing

Develop an internal advocacy strategy and encourage employees to share their own stories.

Go 1 step



further

Leverage your position within the supply/value chain to encourage clients and suppliers to take action on social mobility. You could run joint initiatives within existing partners and embed social mobility considerations in your future procurement work.

Appendix A

Index Methodology

The Social Mobility Employer Index is comprised of two elements: questions that employers answer using qualitative and quantitative data; and an employee survey which was introduced in 2018.

The former assesses employers' work across seven areas: their work with young people, routes into the employer, the attraction of staff, recruitment and selection, data collection, progression of staff and experienced hires and advocacy. The latter is to add insights and contextualise the data provided in submissions. Employers are then benchmarked against one another based on the results.

The Index questions are based on research from the Social Mobility Commission and the leading academics working in this field. It has also been developed in consultation with, and following feedback from, the following advisory groups and individuals:

The Bridge Group

Stonewall

The Institute of Student Employers

**Dr Louise Ashley, Royal Holloway,
University of London**

**Claire Tunley, Head of Employability
at City of London Corporation**

Working with any of these organisations or individuals does not give an employer any undue advantage in the Index process.

Since the inception of the Index, some questions have been refined and others that investigate internal culture and intersectionality have been added. In 2021, additional questions relating to the impact of Covid-19 were introduced to contextualise this year's submissions. For key questions, organisations are asked for several years of data in order to assess the impact of measures being taken.

Index submissions are considered and marked against the latest empirical evidence of what interventions effectively advance socioeconomic equality in the UK workplace. Our approach is rigorous and ensures a fair process, recognising that different sectors and individual businesses do things differently.



- 1 Identifying a broad range of questions** that interrogate the various ways in which employers can contribute to socioeconomic equality.
- 2 Weighting responses based on the evidence** that some areas have more impact on socioeconomic equality relative to others. For example, there is substantial evidence that providing work experience placements for young people is more impactful than general outreach; and that some approaches to recruitment lead to more equal outcomes compared to others.
- 3 Weighting whole sections of the marking scheme** based on where maximum impact can be delivered. Within each section, every organisation is then categorised within a decile, so that modest differences in scoring do not then significantly affect the overall ranking.
- 4 Recognising that not all organisations will score marks for each question.** For example, they may not have formal graduate recruitment programmes because of their size. Therefore, organisations are ranked based on the percentage of available marks they have achieved.

Please note that data is presented in the report as a percentage of the overall submissions, unless otherwise stated. The sample size and profile of entrants is markedly different in 2021 compared to previous years. There were 203 entrants to the Index in 2021 compared to 119 in 2020, with 93 employers entering for the first time. The analysis was based on 201 organisations, excluding two organisations who chose to remain anonymous from analysis.

On average, first-time entrants in 2021 were smaller than returning entrants with an average workforce of around 4,000 staff, compared to almost 9,000 staff for returning entrants. It is therefore important to consider any year-on-year comparisons in the context of these changes.

Appendix B

Employee Survey Questions

Job level (e.g. Manager):

Type of school attended:

- Non selective state school (Comprehensive)
- Selective state school (Grammar or selective on faith)
- Private school
- Non-UK school
- Other
- Prefer not to say

would consider myself to be from a:

- Working-class background
- Middle-class background
- Upper-class background

Are you aware that your organisation does any work on improving socioeconomic diversity in your organisation?

- Yes
- No

Are you personally involved in any work relating to social mobility or improving socioeconomic diversity in your organisation?

- Yes
- No

My organisation is open to talent from all class backgrounds.

- Agree
- Disagree
- Not sure / Prefer not to say

I am comfortable openly discussing my class background with my colleagues.

- Agree
- Disagree
- Not sure / Prefer not to say

I feel I have to hide my class background to get ahead in the workplace.

- Agree
- Disagree
- Not sure / Prefer not to say

People get ahead at my workplace because of who they know.

- Agree
- Disagree
- Not sure / Prefer not to say

The workplace culture in my organisation is inclusive of all class backgrounds.

- Agree
- Disagree
- Not sure / Prefer not to say

I feel out of place at work as I don't have the same background as the majority of employees.

- Agree
- Disagree
- Not sure / Prefer not to say

I have not experienced barriers to career progression in my workplace due to my class background.

- Agree
- Disagree
- Not sure / Prefer not to say

Our senior leadership is committed to improving the socioeconomic diversity of our workforce.

- Agree
- Disagree
- Not sure / Prefer not to say

My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic.

- Agree
- Disagree
- Not sure / Prefer not to say

Interested in joining the Social Mobility Employer Index 2022?

We would love to hear from you.
Please email the team at employerindex@socialmobility.org.uk

**EMPLOYER
INDEX
—2021**

**S_CIAL
MOBILITY
F_UNDATION®**

Social Mobility Employer Index 2021

Submission Feedback

Prepared by The Social Mobility Foundation

September 2021

Introduction

City of London Corporation

Overall ranking: 40

Thank you for making a submission to the Social Mobility Employer Index 2021. Below is your individual feedback report which highlights where your organisation is performing well, benchmarks you against other organisations and suggests areas for improvement. For further context on this report, please also read the main Index Key Findings report, which will be published in November.

In the interest of fair and consistent treatment, we have assessed each employer based on the information we have received in this year's submission only; generally speaking, we have not compared this submission with any data received previously but have taken notice where organisations have explicitly highlighted improvements on last year or have provided data from previous years.

We recognise that the last year has been an extraordinary year for many employers. As we look to analyse the impact of Covid-19 on social mobility, it is important to hear how the pandemic has affected your organisation and the adaptations you have needed to make to your work on improving social mobility. The insights you have provided will help us to establish what best practice is in the 'new normal', as well as informing us where more needs to be done to improve social mobility across the UK.

Please note that we will not be publishing previous years' rankings alongside the 2021 ranking and so if your organisation is ranked lower than in a previous Index submission, this will not be known unless anyone specifically looks for previous top lists.

In addition to using this feedback, we would also strongly advise reading the 2022 guidance notes before starting your next submission - these will be published when the next version of the Index is launched early next year. The [Employer Toolkit](#) from the Social Mobility Commission and the Bridge Group also provides helpful guidance.

2021/2022 Timeline

- November 2021: Announcement of Social Mobility Employer Index Top list and 2021 key findings report published
- February/March 2022: 2022 Employer Index and Employee survey open
- May/June 2022: Closing date for submissions to the 2022 Employer Index and Employee survey

If you have any queries regarding the Index or your feedback please contact employerindex@socialmobility.org.uk

Foreword

Thank you for participating in this year's Social Mobility Employer Index. Despite the uncertainties of the current environment and the ongoing pressures we know Covid-19 is putting organisations under, your Index submission shows some positive steps towards tackling social mobility. Congratulations on making it into the list of Top 75 employers in the 2021 Social Mobility Employer Index. The Top 75 recognises the organisations that are taking the most action to ensure they are open to accessing and progressing talent from all backgrounds. Your organisation is benefitting from accessing talent from a wide range of backgrounds, and working to ensure employees progress based on effectiveness in role, rather than by background – but as you'll know, there is still more to do. We hope that your organisation will use its position in the Top 75 to advocate for social mobility, implementing new approaches that challenge others to do more over the next 12 months.

— Sarah Atkinson, CEO

Feedback

Section 2: Work with Young People

Decile: 9

It is positive that the City of London Corporation is targeting its outreach work at schools with above average levels of Free School Meals or low levels of attainment, is working with a fairly high proportion of children that are eligible for Free School Meals, and is working with schools without existing relationships with employers like yourselves

It is positive that your organisation is using social mobility cold spots to target its outreach work, reaching young people beyond your doorstep in areas where the need for support is highest. As the Social Mobility Commission's ['State of the Nation 2020-21'](#) report re-emphasised, the biggest gap in access to opportunity is no longer the 'north/south' divide, but that between London and the rest of the country. It's therefore more important than ever that organisations like yours continue to target your support at social mobility cold spots, using new approaches to reach young people across the country.

For information on current social mobility cold spots in the UK: [England](#); [Northern Ireland](#); [Scotland](#); [Wales](#).

Your organisation has a fairly strong link between the outreach work you do and your recruitment pipeline. The most effective way to improve social mobility is to provide direct opportunities for employment for young people from low socioeconomic backgrounds. It is encouraging that you are doing so, as well as providing follow-up support through work-shadowing opportunities, career talks and interview guidance. It would be good to see data to show that the support you are providing is working.

Your organisation's work in this area is well-targeted. We would query the statistic saying that 100% of students are eligible for Free School Meals as this seems unusually high, and would encourage your organisation to look into whether this is accurate. Additionally, we would suggest that the organisation starts to collect data on the number of work experience placements that go to friends/family of employees and clients. Understanding the percentage of your placements that are allocated in this way will enable the organisation to gauge whether or not too many placements are offered informally and encourage colleagues to widen the pool of people they are offered to.

Your organisation is not currently flagging students from your outreach work when they go on to apply for recruitment programmes, internships or permanent roles. Given your work in this area is well targeted, it is likely that the young people you encounter through your outreach are often from backgrounds which are under-represented in your workforce. We would strongly encourage you to collect this data as part of evaluating the impact of your outreach work, in order to assess whether that work is having the desired effect. If the number of applicants or successful applicants is low, it highlights a missed opportunity for you, given the resources you devote to your outreach activity.

The student feedback on the outreach programme is positive, and suggests that the programme is improving students' confidence and understanding of the sector. It is also good that you are tracking the career / educational outcomes of the young people on these activities. We would encourage you to use this information to support your follow-up activity.

Section 3: Routes into the Employer

Decile: 4

It is good to see that your organisation is offering apprenticeships and a graduate scheme. If possible for your organisation, we would encourage you to explore the possibility of introducing a school leaver programme to offer a wide range of possible entry routes into your organisation.

We are pleased to see that your organisation is offering higher and degree level apprenticeships as these can provide a genuine route into the organisation that is comparable with graduate routes and allows for ongoing career progression. Across all Index organisations we can see a clear trend of employers offering more apprenticeships at a higher and degree level (levels 4-7). Your organisation is mainly offering apprenticeships at levels 2 and 3. While these apprenticeships represent a good starting point for levy spending, these are equivalent to GCSE's and A-levels and might not provide a genuine route into the organisation that is comparable with graduate routes and allows for ongoing career progression. We would therefore encourage you to explore the possibility of offering more apprenticeships at a higher and degree level (levels 4-7). We were pleased to see in last year's Index that an increasing number of organisations are offering high-level apprenticeships now.

We would recommend that the organisation starts to collect background data on its apprentices. This is important because while it is assumed that apprenticeships are naturally good for social mobility, research suggests that disadvantaged young people are substantially less likely than their better-off peers to start the best apprenticeships. An example for such research is the Social Mobility Commission's report '[Apprenticeships and social mobility](#)'.

Section 4: Attraction

Decile: 5

The recruitment section of your website is strong – some other good examples are provided below:

- [Capgemini](#)
- [HM Treasury](#)
- [Linklaters LLP](#)

Your organisation does have a graduate recruitment programme, but your submission suggests you did not visit any universities as part of the recruitment process. While what 'good'

looks like for this will differ across sectors, some organisations have come up with good alternatives to university visits for accessing a wide pool of graduate talent, including:

- Working with third sector providers who can reach students at a range of universities across the country, and that ideally target their support at students from lower socioeconomic backgrounds.
- Running open days at your offices, where potential applicants can learn about the organisation and attend sessions giving support on CV writing/application tips etc. If possible, run open days in different regional offices to ensure that students from across the country can attend. Consider running additional virtual events to reach students that don't live close to your offices.
- Making sure that the wording used when advertising the graduate programme is not exclusionary (i.e. 'we are looking for the best students from top universities') and is written in a way that encourages students not to self-select out of the process.
- Being clear about the recruitment process, and talking about any additional support the organisation offers, such as online Q&A sessions and practice online tests.

Many employers have also moved their attraction activities online over the last year. These employers felt that running virtual activities allowed them to interact with students at universities outside of the reach of their offices and some noted an increase in student attendance and engagement. Virtual activities present an opportunity to reach a wider range of universities and, as such, more diverse talent from across the UK. However, the importance of direct interaction between event attendees and ambassadors of the organisation should be acknowledged and, if possible, replicated in virtual events. Many employers are exploring the possibility of running both in person and virtual events moving forward. While this is positive, it is important to ensure that in person events are not just focused on a small number of Russell Group universities with non-Russell Group universities being left out.

Your organisation does have recruitment initiatives in place, but they are not specifically targeted at any one demographic and so while they may indirectly support people from lower socioeconomic backgrounds, it's not necessarily the case that they will do so in a significant way. If the organisation is keen to focus specifically on social mobility, we would recommend running an outreach programme designed to encourage applications, and increase successful applications, from those from lower socioeconomic backgrounds.

Section 5: Recruitment and Selection

Decile: 4

While your organisation has minimum academic requirements, it does have lower requirements than many Index organisations for its graduate and apprenticeship schemes. This is positive, as there is little evidence to suggest there is a connection between prior attainment and performance in role and those from higher socioeconomic backgrounds are more likely to have higher prior attainment. Therefore, your approach could be broadening the socioeconomic demographic of the applicant pool, although we would recommend analysing your application data to see if that is the case.

Based on your submission, the organisation is not currently measuring how many successful applicants met, but did not exceed, the stated minimum grade requirements. Organisations that were able to provide us with their average A-Level grades often found that these far exceeded the minimum requirements, but were rarely able to say whether this correlated with performance. We would encourage you to collect this data, in order to establish if the minimum requirements are being used as intended, or whether successful applicants are always exceeding them. If the latter is the case, we would recommend revising the published minimum requirements, in order to more accurately reflect the reality of the application process, or reviewing the recruitment process to understand why successful candidates so often exceed them.

It's positive that your organisation has removed candidates' names, grades and university attended from most stages of the recruitment process, as it could be the case that these factors have an unduly adverse impact on the success rates of certain demographics.

You are also scoring students based on extra-curricular activities. There can be a case for scoring extra-curricular activities depending on what the activities are, but often the activities that are being scored by organisations are those not available to many socioeconomically disadvantaged young people; we would encourage your organisation to review this part of the recruitment process with those students in mind. A related point is that some young people are restricted in the extra-curricular activities they can participate in due to family circumstances, or have often experienced a bigger step up to university and therefore are not pushing to be captain of the netball team or social secretary for a society because they are focussing on their studies. Evidence of these activities being accessed disproportionately by those from higher socioeconomic backgrounds can be found in the Bridge Group's report on graduate outcomes [here](#).

It is positive that your organisation uses standardised questions for its interviews. While there is a degree of variation in every interview, where standardised questions are not used it allows each individual interviewer too much leeway to look for what they personally want and not what the organisation as a whole is looking for, and means that candidates are not all being judged on the same criteria. Strengths-based interviewing, as opposed to competency-based, has also been proven to have a positive impact on diversity. More information on this can be found in SMF's guide for students [here](#).

Your submission indicates that you are currently not flagging candidates with certain socioeconomic background characteristics in the recruitment process. We encourage the introduction of a contextual recruitment system to support students from lower socioeconomic backgrounds through the application process. We also encourage employers not to use just 1 flag/data point on a candidate for taking action; where only 1 flag/data point is used on a candidate it is not usually a reliable indicator of their socioeconomic position. Ideally you would have 2-3 flags on the same person as, for example, a child who is first generation to be going to university may have parents who joined professions when a university education was not essential and is therefore in a high income household.

We would also suggest you consider taking a second look at under-represented candidates before they are rejected as sometimes the context of the candidate can be missed in the initial sift.

Your organisation is not currently monitoring its recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down. The employers that have made the most progress with adjusting their recruitment process have all started by assessing exactly which stage candidates from particular backgrounds are being disproportionately rejected and then changing/removing the parts of the process that seem to disadvantage those candidates, in order to level the playing field. Monitoring the process in this way is something that should be done on an ongoing basis to ensure that one year's results are not an anomaly and also because different employers have different experiences. For example, some think video interviews have improved their process, while others have found female candidates do disproportionately badly in them.

We would also encourage you to collect feedback on the recruitment process from unsuccessful candidates and analyse this feedback by socioeconomic background to identify any stages that this group might find particularly difficult.

It may also be worth looking at the relationship between social mobility and other areas such as gender and race.

There is increasing evidence – for example in *The Class Ceiling* (Friedman/Laurison) – that those from lower socioeconomic groups can suffer a 'double disadvantage' if they are also female or BAME. Access and progression are unequal by socioeconomic background (in its own right) and evidence also indicates that this characteristic is also correlated with some aspects of race (i.e. Black employees are often more likely to be from lower socioeconomic background compared to other races), and that this correlation has a compounding effect. Evidence of this can be found in research done by The Bridge Group with [law firms](#) and the [Civil Service Fast Stream](#). While not every organisation will have enough data to make definitive conclusions, looking at how candidates do if they are in more than one under-represented category can help you work out where you most need to focus your efforts.

Section 6: Data Collection

Decile: 9

It is very positive that your organisation is collecting multiple data points for new entrants and current employees. Half of the Index employers are now collecting socioeconomic background data from their new and existing employees, predominantly using the metrics:

- Parental occupation
- First generation in the family to attend university
- Eligibility for Free School Meals
- Type of school attended

In line with the Social Mobility Commission's recommendation on data collection, we advise collecting 3 to 4 of these data points. We recommend using parental occupation at the age of

14 as the main metric. You can find the Commission's toolkit on data collection [here](#) and access the full scorecard [here](#).

Some employers have begun to enquire about whether those who attended an independent school did so with the support of a bursary (and then often categorising this group as lower SEB). We advise caution here, since a great proportion of those in receipt of a bursary may a) in fact be on a non means-tested scholarship or b) be in receipt of a means-tested bursary that is a relatively small proportion of the overall fee (therefore still typically requiring significant financial contributions from parents / carers). As discussed above, we would also advise against giving too much weight to whether someone attended a non-selective state school when determining their background as this data point be placed in context with other socioeconomic metrics.

It is very encouraging to see that your organisation also looks at the socioeconomic background of unsuccessful applicants. We would encourage you to analyse if those from a lower socioeconomic background do disproportionately fall down in the application process.

The City of London Corporation has a very high completion rate for your socioeconomic background data, including from existing employees which is where we generally see a much lower completion rate. More generally, we found that across the Index, completion rates for socioeconomic background questions were mixed, with some close to 100% and some as low as 10%. High response rates are important because they help to ensure that the data collected provides accurate monitoring of the recruitment and retention of staff, and a better understanding of areas for action. The Social Mobility Commission recommend aiming for an overall response rate of at least 70% both for existing employees and new hires.

Strategies for increasing completion rates include:

- Placing the questions in the context of other diversity monitoring, and underlining that people can opt not to answer them;
- Providing staff with a detailed explanation of why the data is being collected and how the organisation plans to use it;
- Senior leadership regularly emphasising the importance of collecting this data;
- Linking the collection of the data to the business case for being open to all talent, regardless of background; and
- Using case studies to illustrate how other organisations have used their data collection exercises to improve recruitment practices.

It is positive that you are currently reviewing data against national benchmarks. It is important to understand how the socioeconomic background of your workforce compares to the national spread of the workforce population.

This year we have seen a decrease in the number of organisations able to provide workforce data broken down by background, which is a worrying trend. Less than half of Index organisations have that data, and so it's very positive that your organisation was able to provide this.

Your organisation is not currently publishing the data you collect on the socioeconomic background of the workforce. While we understand that the publication of this data has some organisational risk, we would encourage all employers to collect and publish detailed data on

the socioeconomic make-up of their workforce to increase transparency and encourage a more open dialogue about social mobility.

Over half of Index entrants are now presenting their socioeconomic background data to their UK board/management team. This is encouraging as senior buy-in is crucial to driving social mobility work within an organisation.

Section 7: Progression, Culture and Experienced Hires

Decile: 10

It is very positive that your organisation is collecting data in this area. The increasing number of studies of pay, progression and retention in the workplace show that those from lower socioeconomic backgrounds can progress at a slower rate than those from more privileged backgrounds and the only way to know if that is true at your organisation is to record the data on what happens in your workplace.

In particular, those from lower socioeconomic groups can suffer a 'double disadvantage' if they are also female or BAME. As you are already collecting data in this area, we would suggest the next step would be to look at socioeconomic background alongside gender and ethnicity.

It is positive to see that you are assessing whether those from lower socioeconomic backgrounds feel that the culture of the workplace is welcoming to them. While employers have generally taken a great deal of action to make the workplace more welcoming to people who may be female, BAME or LGBT, far less has usually been done for those who may be from a different class background. This means that at many organisations the Index targets there is a feeling that those from lower socioeconomic groups need to change how they speak, dress and act in order to fit in.

Index organisations are increasingly investing in support for employees from lower socioeconomic groups. Common support offers include buddying/mentoring, leadership programmes to encourage progression and the creation of employee networks. Given the importance of peer support for career progression, we would encourage you to explore initiatives like this.

Section 8: Advocacy

Decile: 10

It is positive to see that accountability for the City of London Corporation's approach to social mobility sits at Executive Team level, demonstrating the importance of the issue within your organisation. Senior support and buy-in is in many cases an important factor in establishing new best practices and driving cross-departmental change within an organisation.

It has been welcome to see the growth of organisations encouraging employees to share their stories of having come from a different background and it is particularly welcome if senior employees are involved in this. Junior colleagues can often feel their senior colleagues are all from the same background given the degree of assimilation that takes place the longer someone works somewhere. More and more organisations now run social mobility weeks

and/or have social mobility networks of employees. It is good to see that you have created a space for personal testimonials as part of your internal advocacy strategy, and that you are leveraging Bridge Group research to develop this work further.

Your organisation shows its investment in social mobility by engaging with your clients to raise awareness for the issue. Through your work as part of the Financial Services Skills Commission and the focus on social mobility for this year's Lord Mayor's Appeal, you are using your position to advocate for social mobility and encourage your clients to take action themselves.

Additionally, only just over a third of Index organisations are encouraging their supply chains to take action on social mobility so it's positive that your organisation is taking action on this area of social mobility. Employers like yours have significant purchasing power, and can create a positive chain-reaction by asking suppliers about their approach to social mobility as part of your contracting process, or working with them to build joint initiatives to tackle the problem. It's important that employers such as yours play their part in ensuring that organisations with less expertise or resource are still taking action on this issue.

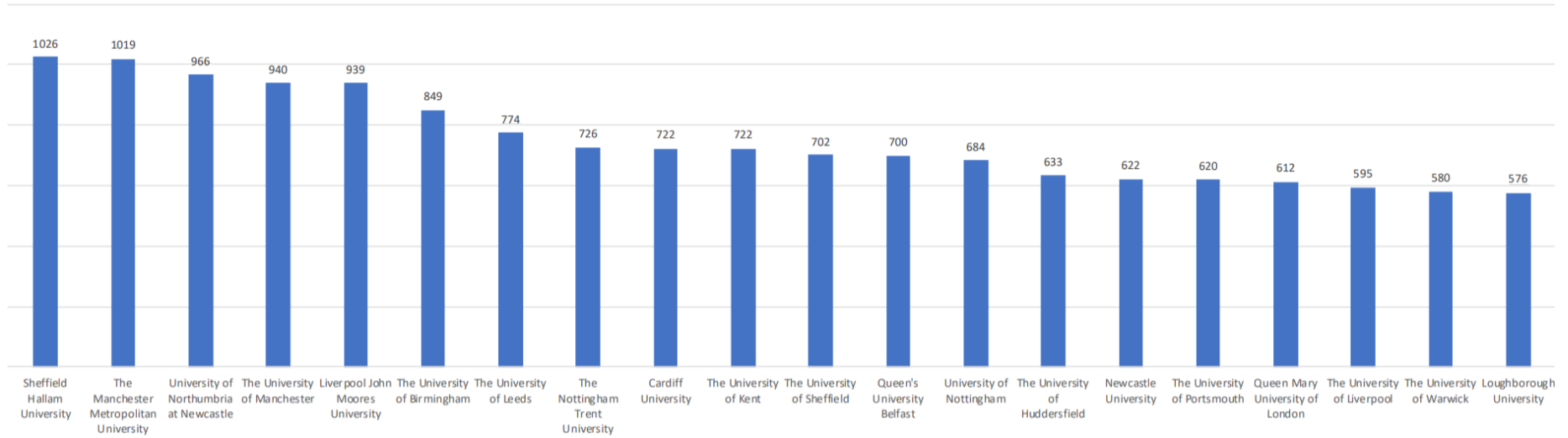
It's also encouraging that the organisation has some social mobility targets in place. Almost 40% of Index organisations now set social mobility targets as part of their wider business strategy. Based on the latest good practice, we would recommend setting targets (rather than quotas) since these are a helpful expression of success and typically the organisation's ambitions in this area. However, any such target should be well informed, so consider diversity within the talent pools you are drawing from, the way in which such a target might differ based on the occupational area within your organisation and seniority, and how the target may change over time. It is also great to see that these targets are monitored at board level and published externally.

Employee Survey

Your organisation did not participate in the employee survey this year. An overview of the survey results will be provided in the key findings report.

Appendix A

Lower SEB with BBB+ by institution



Top 20 institutions by the number of students from lower socioeconomic backgrounds with 300+ UCAS points (graduating this past summer). Please note the above data does not include courses allied to medicine or veterinary studies and only includes UK/HOME students.

Please contact employerindex@socialmobility.org.uk if you have any queries regarding the Index or your feedback



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Committee(s): Establishment Committee – For information	Dated: 03122021
Subject: Costs of maternity, paternity, shared parental and adoption leave	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	5,6,7,8
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	N
Report of: Chief Operating Officer	For Information
Report author: Chief Operating Officer	

Summary

Members queried the current practice of individual department or service areas covering costs of covering maternity/paternity/shared parental/adoption leave, where specific interim resource is required. This report recommends that this approach be continued as existing arrangements are already in place to address specific challenges, and to ensure that there is consistency between costs of different leave types.

Recommendation(s)

Members are asked to:

- Note that for the last few years individual budget holders have been able to approach Chamberlains for additional support to cover interim resourcing needed when the post holder is absent for extended periods.
- Note that numbers of people who are on maternity/paternity/shared parental/adoption leave are relatively evenly spread across the Corporation and of course different year to year in each team.
- Note the numbers of people who are on long term (i.e. over 1 month) sick leave as a comparison.
- Note that no change is proposed to current arrangements or funding, but that workforce plans are an important tool to account for this type of resourcing challenge, and this is an area the Corporation should seek to develop in.

Main Report

Discussion

1. Members raised a query about the financial impact of covering maternity/shared parental/paternity/adoption leave where there is a need to use fixed term resource to cover the individual on leave, vis-à-vis the current approach of this cost being managed through local risk budgets. This was noted as having a particular impact in some smaller teams.
2. The agreed financial approach in place is that for fixed term cover of a role in the core team establishment, costs are covered by the standard budget. There is provision to request through Chamberlains additional funding to cover exceptional costs or where there is pressing need not manageable within approved resource budgets.
3. Not all instances of maternity/paternity/shared parental/adoption leave require specific cover, i.e. the absence is able to be managed by the wider team without having dedicated backfill or other arrangement. Furthermore, the length of time taken by an individual for maternity/shared parental/adoption leave is not standard, and therefore the feasibility or need for dedicated cover arrangements varies.
4. As of 26/11/2021, 42 people across the Corporation (including the Institutions) are on maternity leave. There will be a further handful on shared parental or adoption leave, in addition to individuals taking the two weeks provided for as paternity leave. The department with the highest number currently is Environmental Services at 8 people, which represents <1%-1% of the workforce. This approximate percentage is the average across the Corporation.
5. As a comparator, the number of individuals on long term sickness absence (defined as over 4 weeks) is 19. Environmental Services and City of London Police have the largest numbers at 6 each. Therefore, the rate would also be <1% on average across the Corporation. The average duration of absence from long term sickness absence also varies, but can go above 12 months.
6. These rates should be used as assumptions when departments are workforce planning, along with rates of attrition and time to hire etc., because they are expected costs of having a team. However, workforce planning is not considered to be well-developed or understood within many areas of the Corporation and this will need to be a key capability to be developed to enable better planning and smarter approaches to staffing need.
7. The Chamberlains have confirmed there is no central contingency or available budget for the costs resulting from some longer term staff leave to be held at Central Risk level. To create one would therefore require either a top-slice on all employee budgets or alternate prioritisation decisions.
8. Given the existing provision for individual departments or Institutions to request specific funding, and the relatively low numbers involved, it is not proposed that any changes are made to the current approach.

Corporate & Strategic Implications

Strategic implications - None

Financial implications – None

Resource implications – None

Legal implications – None

Risk implications – None

Equalities implications – None. However, it should be noted that maternity, paternity, shared parental and adoption leave are all statutory leave types which the Corporation chooses to provide additional remuneration on top of to support staff in balancing their work and home life and family situation. Absence in relation to long term sickness is also covered by clear policies and, in some instances, the reason for absence may fall under Disability Act provisions. It is therefore important that all parts of the Corporation consciously and clearly follow the relevant policies in place.

Climate implications - None

Security implications - None

Conclusion

9. Establishment Committee are asked to note this update.

Appendices

- None

Emma Moore

Emma Moore, Chief Operating Officer

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