

Committee	Dated:
Establishment Committee	16 January 2018
Policy & Resources	21 February 2018
Court of Common Council	7 March 2018
Subject:	Public
Draft Pay Policy Statement 2019/20	
Report of:	For Decision
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Report author:	
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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. This must be agreed each year by the full Court of Common Council.

This Committee has now received the Pay Policy Statements since 2012. The Statement has now been updated for 2019/20 and is being presented for consideration by this committee prior to submission to the Policy & Resources Committee on 21 February and Court of Common Council on 7 March 2018.

The Statement generally updates the information provided in previous versions of the Statement, including details of the 2018-20 Pay Award and changes to the City of London's policy on paying London Living Wage.

Recommendations

Members are asked to:

- agree the attached draft Pay Policy Statement 2019/20 to ensure the City Corporation meets its requirements under the Localism Act 2011, to enable it to be forwarded to the Policy & Resources Committee and Court of Common Council for further necessary approvals.

Main Report

Background

1. Under Section 38(i) of the Localism Act 2011 (the Act), all local authorities are required to produce and publish a statement setting out their pay policies. The aim of the Act is that authorities should be open, transparent and accountable to local taxpayers. Pay statements should set out the authority's

approach to issues relating to the pay of its workforce, particularly its most senior staff and its lowest paid employees.

2. The Department for Communities and Local Government publishes guidance to the relevant parts of the Localism Act and a Code of Recommended Practice for Local Authorities on Data Transparency which is also of relevance in complying with the Act. The City Corporation must have regard to this guidance in formulating a Pay Policy Statement.
3. The Pay Policy Statement must be agreed and published by 31 March each year, including agreement by the full Court of Common Council in open session. Should any changes to the Statement arise during the year, a revised Statement must come before the full Court.

Current Position

4. Attached to this report is an updated draft Pay Policy Statement for 2019/20 for consideration by Members. Subject to any comments from your Committee and the Policy & Resources Committee, the draft Statement will be placed before the Court at its meeting in March to enable the City Corporation to meet the deadlines specified in the Act. The draft Pay Policy Statement 2019/20 is included as Appendix 1.
5. In addition to updating the Statement for the 2018-20 pay award there are a number of other changes to note:
 - a. An additional post (Chief Grants Officer & Director of the City Bridge Trust) has been added to the SMG staffing structure, following changes to the post's corporate and strategic responsibilities.
 - b. The bringing forward of the date from which the City Corporation pays the London Living Wage to its lowest-paid staff, which was previously the 1 April following the November announcement of the new rate, and is now (from 2018) the actual date of its announcement, following the decision to this effect by the Policy & Resources Committee in October.
 - c. Confirmation of the first report of the City Corporation in line with the legislation on the Gender Pay Gap.
6. The policy statement has not been amended to reflect changes that may arise from the Government's stated intention to introduce restrictions on exit pay packages for employees leaving public-sector jobs. Regulations were laid before Parliament on 24 January 2017 putting into law from 1 February 2017 the power of the Government to issue further regulations making restrictions on exit pay packages. Such regulations have not been introduced, but a Private Members' Bill (the Public-Sector Exit Payments (Limitation) Bill 2017-19) had its first reading in Parliament on 5 September 2017. Its second reading was originally timetabled for 1 December 2017, but this has since been deferred on several occasions, and the new expected date of its second reading is 25 January 2019. The Bill has now been published and aims to

compel the Treasury to lay before parliament a draft of the regulations which it has since 1 February 2017 been empowered to issue.. Members may wish to note that if the Bill follows the previous Government line on this matter (advocated in consultation before the 2017 Regulations were made) it may (if passed into law) require some amendment to our severance packages for high-earning employees, and give rise to considerations about how we deal with the pension provision for employees aged 55 or over who are dismissed for reasons of redundancy or business efficiency (see paragraphs 32 and 34 of the Statement). However, insofar as the 2017 Regulations allow the Government to impose such restrictions by Statutory Instrument without awaiting a further Act of Parliament to compelling them to do so it may be that enthusiasm for this is waning. In any case, it is not possible at this stage to make firm policy commitments on it. Members should note that the Localism Act enables the Pay Policy Statement to be amended at any time when statute or internal policy requires it, and so any required revisions to the Statement will be put to Members when or if the requirement for them is clear.

Conclusion

7. To meet the requirements of the Localism Act, the City Corporation must agree and publish a Pay Policy Statement which has been agreed in open Court of Common Council. Members are asked to consider and agree the draft Statement as presented for forwarding to the Policy & resopurces Committee and Court of Common Council.

Appendices

Appendix 1: Draft Pay Policy Statement 2019/20

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