

<b>Committee:</b> Establishment Committee Policy & Resources Committee Court of Common Council	<b>Date:</b> 4 February 2016 18 February 2016 3 March 2016
<b>Subject:</b> Draft Pay Policy Statement 2016/17	<b>Public</b>
<b>Report of:</b> Director of Human Resources	<b>For Decision</b>
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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.

The Court of Common Council has now received the pay policy statements for 2012/13, 2013/14, 2014/15 and 2015/16. The statement has now been updated for 2016/17 and is being presented for consideration by the Establishment Committee on 4 February 2016 and Policy and Resources Committee on 18 February 2016, prior to submission to the Court of Common Council on 3 March 2016.

### **Recommendation:**

Members are asked to agree the attached draft Pay Policy Statement 2016/17 to ensure the City Corporation meets its requirements under the Localism Act 2011.

### 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 senior staff (or chief officers on the Senior Management Grade) and its lowest paid employees.
2. The Department for Communities and Local Government has published guidance and the City Corporation must have regard to this guidance in formulating a pay policy statement. In addition, the Secretary of State has published a Code of Recommended Practice for Local Authorities on Data Transparency which is also of relevance in complying with the Act.
3. The pay policy statement must be agreed and published by 31<sup>st</sup> March each year. The statement must be also agreed, each year, by the full Court of Common Council in open session. Should any changes to the pay statement arise during the course of 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 2016/17 for consideration by Members. Subject to any comments from either Establishment Committee or Policy & Resources Committees, 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.
  
5. There are no significant changes in the statement this year, but it has been updated to reflect any changes to pay since the last statement (e.g. the 2015 pay award and the revised statutory maximum week's pay for redundancy purposes). The policy statement has not been amended to reflect changes that may arise from the Government's intention to introduce restrictions on exit pay packages for employees leaving public-sector jobs. This is because the proposed restrictions have not been finalised and the statement is dated as being written in January 2016. However, members may wish to note that any such restrictions may 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 is dismissed for reasons of redundancy or business efficiency (see paragraphs 32 and 34 of the statement).

## **Conclusion**

6. In order 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.

## **Appendices: Draft Pay Policy Statement for 2016/17**

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