

Report – Establishment Committee

Draft Pay Policy Statement 2016/17

To be presented on Thursday, 3rd March 2016

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

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 the past four years. The statement has now been updated for 2016/17 and has been considered and approved by the Establishment Committee on 4 February 2016 and Policy and Resources Committee on 18 February 2016.

RECOMMENDATION

It is **recommended** that the Court considers and agrees the draft Pay Policy Statement for 2016/17 set out in the Appendix to this report to ensure that the City Corporation meets its requirements under the Localism Act 2011.

MAIN REPORT

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 31st 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. The updated draft Pay Policy Statement for 2016/17 is attached to this report for Members' consideration. There are no significant changes to 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).
5. 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. 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 are dismissed for reasons of redundancy or business efficiency (see paragraphs 32 and 34 of the statement).

Conclusion

6. It is **recommended** that the Court agrees the draft Pay Policy Statement for 2016/17, as set out in the Appendix to this report, to ensure that the City Corporation meets its requirements under the Localism Act 2011.

All of which we submit to the judgement of this Honourable Court.

DATED this 4th day of February 2016.

SIGNED on behalf of the Committee.

**The Reverend Stephen Decatur Haines, Deputy
Chairman, Establishment Committee**