

## ESTABLISHMENT COMMITTEE

Thursday, 1 December 2016

**Minutes of the meeting of the Establishment Committee held at the Guildhall EC2 at 11.00 am**

### **Present**

#### **Members:**

Deputy the Revd Stephen Haines (Chairman)	Jeremy Mayhew
Edward Lord (Deputy Chairman)	Sylvia Moys
Mark Boleat	Deputy Joyce Nash
Nigel Challis	Barbara Newman
Sheriff & Alderman Peter Estlin	Deputy Richard Regan
Deputy Kevin Everett	Philip Woodhouse
Deputy Jamie Ingham Clark	

#### **Officers:**

John Barradell	-	Town Clerk and Chief Executive
Simon Latham	-	Town Clerk's Department
Sacha Than	-	Town Clerk's Department
Matthew Lock	-	Chamberlain's Department
Michael Cogher	-	Comptroller and City Solicitor
Damian Nussbaum	-	Director of Economic Development
Chrissie Morgan	-	Director of Human Resources
Nick Childs	-	Human Resources Department
Janet Fortune	-	Human Resources Department
Tracey Jansen	-	Human Resources Department
Caroline Reeve	-	Human Resources Department

The Chairman advised Members that the Establishment Committee Dinner would take place on Friday 9 December 2016.

The Chairman further advised that the Pensioners Association Lunch had taken place in November and letters of thanks had been received from attendees.

#### **1. APOLOGIES**

Apologies for absence were received from Randall Anderson and Angela Starling.

#### **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 and summary of the meeting held on 25 October be approved as an accurate record subject to the following amendment;

- that the Chairman of Policy and Resources' attendance details be amended.

4. **OUTSTANDING ACTIONS REPORT**

*Members considered item twenty-one at item four.*

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

The Town Clerk advised that the oral update at item 21 could be considered under this item.

The Town Clerk explained that Members had raised concerns in relation to the number of Chief Officers and Senior Managers leaving the Corporation and whether this had been due to staff dissatisfaction. The Town Clerk advised that this was not the case, since 2013; 13 Chief Officers and 24 Senior Managers had left the Corporation, the majority of whom had retired. The Town Clerk explained that 60% of the current Chief Officers were aged 55 and above, and at the Senior Manager level, over three quarters were eligible for retirement. The Town Clerk advised that this has an impact on succession planning and alternative options would need to be explored as the current pensions systems does not incentivise people to continue working.

In response to a Member's question on whether the salaries offered to staff are at the right level, the Town Clerk advised that this has been a problematic area, but the Corporation carries out pay level comparisons with both the public and private sector to ensure it remains competitive and the pension scheme and other fringe benefits are attractive offers. The Town Clerk advised that Market Forces Supplements have also been used to attract and retain staff; the evidence suggests that staff do not leave the Corporation because of pay, but this is an area that should be kept under review. The Director of Human Resources also advised that higher salaries have a subsequent impact on other areas such as pensions and tax.

Members noted the importance of having good staff in place and it was clear that overall, staff were not leaving the Corporation due to dissatisfaction.

**RESOLVED** – That the Committee:

- a) note the report; and
- b) note the update.

5. **STRENGTHENING THE CITY CORPORATION'S REPRESENTATIVE AND PROMOTIONAL WORK IN ASIA**

The Committee considered a report of the Director of Economic Development which asked Members to approve the creation of a new fixed-term post of Special Representative to Asia and to approve the recruitment process.

Minutes from the November Policy and Resources Committee were tabled at the meeting for Members' information.

The Director of Economic Development advised the Committee that the City Corporation's international engagement would benefit strongly from the creation of this post and that it would provide access to markets in China and India. The Chairman of Policy and Resources further advised that the City Corporation's activities in Asia were insufficient and this role would be hugely beneficial, the Chairman of Policy and Resources added that he was supportive of the creation of this post and it had been endorsed by the Policy and Resources Committee at their November meeting.

The Chairman of Policy and Resources advised of the importance of having the right individual in the role in order for the post to succeed; an individual had already been identified given the special nature of the role and the limited options it presented.

During further discussion the following comments were made:-

- some Members raised their concerns in relation to only one candidate being considered for this role and the importance of following the proper due process. The Chairman of Policy and Resources agreed that there would be a formal interview with the candidate;
- it was important to have representation in Asia, but there are other global markets that should also be considered in the future;
- some Members asked for more joined up thinking when looking at roles of this nature.

**RESOLVED** – That the Committee:

- a) approve the creation of a new fixed-term post of Special Representative to Asia for the purposes and on the terms set out in the Report; and
- b) approve the recruitment process set out in paragraph eight of the Report, subject to the inclusion of a formal interview.

**6. TERMS OF REFERENCE AND FREQUENCY OF MEETINGS**

The Committee considered a report of the Town Clerk which provided the opportunity to review the Committee's Terms of Reference.

The Town Clerk advised the Committee that the representative of the Finance Committee would no longer be referred to as ex-officio and was an appointed Member to the Establishment Committee.

**RESOLVED** – That the Committee:

- a) approve the terms of reference of the Committee for submission to the Court of Common Council as set out at Appendix A to the report, subject to the following amendments:

- make explicit that the representative of the Finance Committee was an appointed Member;
- b) agree to retain the current six-cycle frequency of meetings.

**7. REGISTER OF INTERESTS FOR CHIEF OFFICERS**

The Committee considered a report of the Director of Human Resources which provided Members with an updated Register of Interests for Chief Officers.

Members asked that the question on “benefit derived by the City of London Corporation” be removed from the questionnaire.

**RESOLVED** – That:

- a) the question on benefits be removed; and
- b) the Committee receive the report for information.

**8. REVENUE BUDGETS 2017/18**

The Committee received a joint report of the Town Clerk, Chamberlain, and Comptroller and City Solicitor which sought approval from Members for the provisional revenue budget for 2017/18, for subsequent submission to the Finance Committee.

Members asked that the wording on page 47 be changed from “a summary of manpower” to “staffing statement”.

**RESOLVED** – That:

- a) the wording be amended on page 47 of the report;
- b) the Committee review the provisional 2017/18 revenue budget to ensure that it reflects the Committee’s objectives and, approve the budget for submission to the Finance Committee; and
- c) the Committee authorise the Chamberlain to revise these budgets to reflect any further implications arising from the Service Based Reviews and other corporate efficiency projects.

**9. PAY AND REWARD STRATEGY**

*Members considered item nine after item four.*

The Director of Human Resources gave a presentation to the Committee on the Pay and Reward Strategy; copies of the presentation were tabled at the meeting.

The Director of Human Resources advised that an analysis had taken place on the current Pay and Reward Strategy which looked at the following areas:

- whether the current job evaluation scheme was fit for purpose, feedback had shown that the current system is too slow and greater freedoms in relation to reward would be welcomed by staff;
- the current pay levels and the effect of using Market Forces Supplements (MFS) and the effect these have on pensions. The Director

of Human Resources explained that although the temporary nature of the MFS has on occasion impacted recruitment, all 175 MFS in place were deemed to be right for the market; and

- the benefits offered to staff were rated as excellent during an external review, but could be promoted more.

In response to a Member's question on timeframes, the Director of Human Resources explained that the initial work would focus on the short term which would take place up to 2020 and in the longer term, work would focus on how the process can be improved.

The Director of Human Resources advised that in conclusion the salary and grade structure is fit for purpose, but a different structure would need to be created in relation to the Job Evaluation system so that Human Resources can provide additional support to other departments.

**RESOLVED** – That the Committee note the update.

10. **SCHEME OF DELEGATIONS**

The Committee considered a report of the Director of Human Resources which provided information on redundancies, early retirements, and ill health retirements in the reporting period 1 July to 30 September 2016.

**RESOLVED** – That the Committee note the actions taken under delegated authority.

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

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

13. **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.

Item	Paragraph
14, 18	1,2,3,4,5
15, 19	1,2,3
20	2,3

14. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 25 October 2016 were approved.

15. **OUTSTANDING ACTIONS REPORT**

The Committee noted a report of the Town Clerk which provided details of non-public outstanding actions from previous meetings.

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

There were no questions.

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

There were no items of urgent business.

18. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held on 25 October were approved.

19. **SCHEME OF DELEGATIONS CONFIDENTIAL APPENDIX**

The Committee noted a confidential appendix to the report of the Director of Human Resources regarding the Operation of the Scheme of Delegations.

20. **CULTURE, HERITAGE AND LIBRARIES UPDATE**

The Committee agreed a report of the Town Clerk in relation to Culture, Heritage and Libraries.

21. **TOWN CLERK'S UPDATE**

*This item was considered at item four.*

**The meeting closed at 12.16 pm**

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Chairman

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