

<b>Committee(s):</b>	<b>Date:</b>
Establishment Committee Decision Policy & Resources Committee Decision Court of Common Council Decision	14 <sup>th</sup> February 2017 16 <sup>th</sup> February 2017 9 <sup>th</sup> March 2017
<b>Subject:</b> Draft Pay Policy Statement 2017/18	<b>Public</b>
<b>Report of:</b> Director of HR	<b>For Decision</b>
<b>Report author:</b> Janet Fortune	

### 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.

Your committee has now received the pay policy statements since 2012. The statement has now been updated for 17/18 and is being presented for consideration by this committee prior to submission to Policy and Resources Committee on and the Court of Common Council on 9<sup>th</sup> March 2017.

Apart from updating the information on the pay award for 2016 there are three other significant changes. Two posts have been removed from the Senior Management Group, the adjustments to Grade A have been included and the changes to payments for Apprentices to London Living Wage are also detailed.

### Recommendation(s)

Members are asked to:

- agree the attached draft Pay Policy Statement 2017/18 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 2017/18 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. In addition to updating the statement for the 2016 pay award there are a number of other changes to note in the statement. 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 2017. Regulations have now (on 24 January) been laid before Parliament putting into law from 1 February the power of the Government to issue further regulations making restrictions on exit pay packages, which suggests that this may be moving higher up the Government agenda. 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). However, until the actual Regulations prescribing this have been issued it is not possible 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**

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**

- Appendix 1 – The Draft Pay Policy

## **Background Papers**

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