

## Report – Establishment Committee

### Draft Pay Policy Statement 2017/18

*To be presented on Thursday, 9<sup>th</sup> April 2017*

*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 five years. The statement has now been updated for 2017/18 and has been considered and approved by the Establishment Committee on 14 February 2017 and the Policy and Resources Committee under urgency on 22 February 2017.

#### **RECOMMENDATION**

It is **recommended** that the Court considers and agrees the draft Pay Policy Statement for 2017/18 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 31 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 2017/18 is attached to this report for Members' consideration.
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.
6. 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.
7. 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**

8. It is **recommended** that the Court agrees the draft Pay Policy Statement for 2017/18, 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 14<sup>th</sup> day of February 2017.

SIGNED on behalf of the Committee.

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