

Committee(s): Establishment Committee – For decision Policy & Resources – For decision Court of Common Council – For decision	Date(s): 15 January 2018 22 February 2018 8 March 2018
Subject: Draft Pay Policy Statement 2018/19	Public
Report of: Chrissie Morgan, Director of Human Resources	For Decision
Report author: Ian Simpson, Corporate HR, Town Clerk’s Department	

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 2018/19 and is being presented for consideration by this committee prior to submission to Policy and Resources Committee on 22 February and the Court of Common Council on 8 March 2018.

The Statement generally updates the information provided in previous versions of the Statement, including details of the 2017 Pay Award and changes to the City of London’s policy on redundancy payments.

Recommendations

Members are asked to:

- agree the attached draft Pay Policy Statement 2018/19 to ensure the City Corporation meets its requirements under the Localism Act 2011, to enable it to be forwarded to the Policy & Resources Committee and Court of Common Council for further necessary approvals.

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 (SMG) and its lowest paid employees.

2. The Department for Communities and Local Government publishes guidance to the relevant parts of the Localism Act and a Code of Recommended Practice for Local Authorities on Data Transparency which is also of relevance in complying with the Act. The City Corporation must have regard to this guidance in formulating a Pay Policy Statement.
3. The Pay Policy Statement must be agreed and published by 31 March each year, including agreement by the full Court of Common Council in open session. Should any changes to the Statement arise during 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 2018/19 for consideration by Members. Subject to any comments from either the Establishment or Policy & Resources Committee, 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 2017 pay award and there are a number of other changes to note. Certain amendments have been made to the SMG staffing structure with recruitment to three of the posts, two losing residential status and the other acquiring significant additional responsibilities. The Statement also records the amendments to the City's redundancy-payments system agreed from 25 October 2017.
6. The policy statement has not been amended to reflect changes that may arise from the Government's stated intention to introduce restrictions on exit pay packages for employees leaving public-sector jobs. Regulations were laid before Parliament on 24 January 2017 putting into law from 1 February 2017 the power of the Government to issue further regulations making restrictions on exit pay packages. Such regulations have not been introduced, but a Private Members' Bill (the Public-Sector Exit Payments (Limitation) Bill 2017-19) had its first reading in Parliament on 5 September 2017. Its second reading was originally timetabled for 1 December 2017 but this has now been deferred and the new expected date of its second reading is 11 May 2018. The Bill has yet to be published (it is unlikely to be until close to the date of its second reading) and no debate was held on its first reading. Members may wish to note that if the Bill follows the previous Government line on this matter (advocated in consultation before the 2017 Regulations were made) it may (if passed into law) 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, insofar as the 2017 Regulations allow the Government to impose such restrictions by Statutory Instrument rather than Act of Parliament it may be that enthusiasm for this is waning. In any case, it is not possible at this stage 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

7. 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 for forwarding to the Policy & Resources Committee and the Court of Common Council.

Appendices

Appendix 1: Draft Pay Policy Statement for 2018/19

Ian Simpson, Pay and Grading Manager, Corporate HR, Town Clerk's Department

T: 020 7332 1898 / E: ian.simpson@cityoflondon.gov.uk