



Senior Remuneration Sub-Committee

Date: TUESDAY, 8 SEPTEMBER 2020
Time: 3.00 pm
Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members: Deputy Edward Lord (Chair)
Deputy Catherine McGuinness
(Deputy Chairman)
Deputy Keith Bottomley
Deputy Kevin Everett
Sheriff Christopher Hayward
Tracey Graham
Deputy Jamie Ingham Clark
Jeremy Mayhew
Ruby Sayed
Deputy Tom Sleigh
Alderman Sir David Wootton

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Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:
[https://youtu.be/Afgfp -HiSs](https://youtu.be/Afgfp-HiSs)

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**
 2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF THE ITEMS ON THE AGENDA**
 3. **MINUTES**
To agree the public minutes of the Sub-Committee meeting held on 5 December 2019.

For Decision
(Pages 1 - 4)
 4. **SENIOR MANAGEMENT GROUP (SMG) REMUNERATION**
Report of the Director of HR.

For Decision
(Pages 5 - 8)
 5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
 6. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
 7. **EXCLUSION OF THE PUBLIC**
MOTION – 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 1 of Schedule 12 A of the Local Government Act.
- Part 2 Non-Public - Confidential Agenda**
8. **MINUTES**
To agree the confidential minutes of the Sub-Committee meeting held on 5 December 2019.

For Decision
 9. **APPRAISAL ARRANGEMENTS FOR A MEMBER OF THE SENIOR MANAGEMENT GROUP**
Report of the Director of Human Resources.

For Decision
 10. **SENIOR MANAGEMENT GROUP CONTRIBUTION PAY AWARDS 2019/20**
Report of the Director of Human Resources.

For Information

SENIOR REMUNERATION SUB-COMMITTEE

Thursday, 5 December 2019

Minutes of the meeting of the Senior Remuneration Sub-Committee held at the Guildhall EC2 at 9.45 am

Present

Members:

Deputy Edward Lord (Chairman)
Sheriff Christopher Hayward
Tracey Graham
Deputy Jamie Ingham Clark
Jeremy Mayhew
Ruby Sayed
Alderman Sir David Wootton

Officers:

John Barradell	- Town Clerk and Chief Executive
Angela Roach	- Town Clerk's Department
Chrissie Morgan	- Director of Human Resources

1. APOLOGIES

Apologies were received from Keith Bottomley, Simon Duckworth, Kevin Everett and Catherine McGuinness.

2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF THE ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

The public minutes of the meeting held on 6 November 2019 were approved.

4. CITY OF LONDON PAY POLICY STATEMENT

The Sub-Committee considered a report of the Director of Human Resources concerning the City Corporation's Pay Policy Statement (PPS).

Members were advised that the proposed 2020/21 PPS was an updated version of the statement approved by the Establishment and Policy and Resources Committees and the Court of Common Council earlier in the year.

During more detailed discussion, amongst other things the following points were made:-

- It was suggested that the Sub-Committee be provided with a tracked changed version of the Pay Policy Statement proposed for 2020/21 (i.e. the

Statement showing the proposed changes from that agreed previously) to assist Members in making more informed comments;

- reference was made to the City Corporation's private and charitable functions which did not fall within the Localism Act. It was suggested that for the sake of clarity, the words "*and are outside the scope of the Act*" should be added at the end of the last sentence of paragraph 3 of the Statement;
- Members questioned whether it was possible to strengthen the Statement from a corporate governance perspective; whether it was necessary to include paragraph 16 as it did not relate to policy specifically and whether there ought to be a separate document that dealt with how the policy was implemented. The Town Clerk advised that corporate governance and charitable activities tended to be very prescriptive and therefore any reference to them would need to be considered carefully. Similarly, officers would need to check whether the creation of two separate documents would accord with the requirements of Localism Act;
- In response to questions relating to contribution pay, the application of Market Forces Supplements (MFS) and whether the current pay system was sufficiently flexible, the Director of HR explained the contribution pay process and eligibility for it. In relation to MFS payments, she referred to the purpose of such payments and the time limits associated with them once approved. She concluded by reminding Members that the City Corporation's pay negotiations fell outside the local government pay settlement and that it was instead based on local bargaining.

RESOLVED – That the report be noted and that:-

1. a tracked changed version of the proposed changes to the Pay Policy Statement for 2020 be circulated to Members for further comment; and
 2. it be recommended to the Establishment Committee that the words "*and are outside the scope of the Act*" should be added at the end of the last sentence of paragraph 3 of the Statement.
5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.
6. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
There were no urgent items.
7. **EXCLUSION OF THE PUBLIC**
MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of the Schedule 12 A of the Local Government Act:-

Item Nos.

Paragraph(s) in Schedule 12A

8 - 11

1, 2 and 4

8. MINUTES

The non-public confidential minutes of the meeting held on 6 November 2019 were approved.

9. SENIOR MANAGEMENT GROUP REMUNERATION

The Sub-Committee considered and agreed a report of the Director of HR concerning Senior Management Group Remuneration.

10. MARKET COMPARISON FOR THE SENIOR MANAGEMENT GROUP

The Sub-Committee noted a report of the Director of HR concerning the benchmarking process for the Senior Management Group.

The Town Clerk withdrew from the meeting whilst the following item was considered.

11. APPRAISAL ARRANGEMENTS FOR THE SENIOR MANAGEMENT GROUP

The Sub-Committee considered a report of the Director of Human Resources concerning the appraisal arrangements for a member of the Senior Management Group.

The content of the report was noted, and it was agreed that the final version of the arrangements should be submitted to the Sub-Committee in the new year for information.

The meeting closed at 11am

Chairman

Contact Officer: Angela Roach
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Agenda Item 4

Committee: Senior Remuneration Sub-Committee	Date: 8 September 2020
Subject: Senior Management Group (SMG) Remuneration	Public
Report of: Town Clerk & Chief Executive and Director of Human Resources	For Information
Report author: Chrissie Morgan, Director of Human Resources	

Summary

At its meeting on 26 February 2018 the Establishment Committee agreed to establish a Senior Remuneration Sub-Committee to oversee and scrutinize the annual performance awards and pay ranges for the Senior Managers. The composition of the Sub-Committee is currently as follows: -

- Chair of the Establishment Committee (Chair)
- Chair of the Policy & Resources Committee, (Deputy Chair)
- Deputy Chairman of Establishment Committee
- A Deputy/Vice Chairman of Policy & Resources Committee
- Chairman of the Finance Committee
- Chairman of General Purposes Committee of the Court of Aldermen
- One representative of the Finance Committee
- Four additional representatives of the Establishment Committee.

The officers in the Senior Management Group (SMG) are subject to an annual formal performance assessment (as are all employees). They are formally appraised by the Town Clerk annually and he determines their pay progression. All progression is limited to a pre-determined pay range (approved by Members) and a maximum “one off” contribution payment of up to 6% of basic salary for those who have reached the top of their pay range.

In general, the Town Clerk has ongoing conversations with relevant Committee Chairs which influence his recommendations for pay progression and contribution payments for SMG members. Most Chairs have taken the opportunity to input their views.

Recommendation

Members are recommended to note the content of the report and consider the proposals for pay progression within scales and contribution payments for the officers in the Senior Management Group in the non-public, confidential, part of the meeting.

Main Report

Background

1. At its meeting on 26 April 2007 the Establishment Committee agreed changes to the pay and grading structure for the City of London Corporation. This involved a wide-ranging modernisation programme comprising a new, simplified grading structure, more emphasis on individual employee contribution in determining pay progression, and extensive use of non-consolidated bonuses in recognition of individual performance.
2. Establishment Committee and Policy and Resources Committee, and Court of Common Council approved significant changes in the way that senior officers should be rewarded, moving away from any form of “automatic” pay progression and making all progression dependent on performance.
3. A separate Senior Management Group (SMG) pay scale was established for departmental Chief Officers (excluding the Head Teachers of the three City Schools and the Commissioner of the City of London Police) and the professional leads for significant corporate and strategic functions of the City Corporation. Each post on the SMG scale has its own individual six-point scale within it. Progression through the scale is dependent on assessment and evaluation of performance and contribution to the success of the organisation. Progression, if earned, can be by steps of anywhere between 1 and 6% of base pay.
4. Where the percentage increase earned by a given employee takes them above the maximum spinal column point for their individual scale, the excess amount above the maximum is not consolidated into basic pay but is instead paid as a non-consolidated bonus. It does not form part of base salary in the following year on which that year’s salary increase would be calculated and thus has to be earned again in any subsequent year for it to be retained.
5. Set out below are the current broad pay ranges for the Senior Management Grade, with the numbers in each band, excluding London Weighting. Each member of staff will have an individual salary scale within these broad ranges.

£97,640	-	£120,070	(2)
£113,200	-	£152,110	(7)
£152,110	-	£198,480	(5)
£223,370	-	£258,970	(1)

6. The City Corporation’s statutory Pay Policy Statement, agreed earlier this year by the Establishment and Policy & Resources Committees and Court of Common Council says of SMG remuneration:

The Town Clerk & Chief Executive determines all salary matters for SMG posts (other than in relation to himself) within the existing individual Grades and reward policies, in consultation with elected members and the Senior Remuneration Committee. The Director of HR coordinates any such matters in relation to the Town Clerk & Chief Executive, in consultation with elected members and the Senior Remuneration Committee.

7. The Town Clerk will present his proposals for pay progression and contribution payments for the other members of the SMG in the confidential part of the meeting and the Director of HR will also advise the Sub-Committee on the contribution payment for the Town Clerk proposed by the Chairman of the Policy & Resources Committee.

Chrissie Morgan

Director of HR

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