



## Corporate Services Committee

**Date:** WEDNESDAY, 7 DECEMBER 2022

**Time:** 1.45 pm

**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

**Members:**

Deputy Alastair Moss (Chair)	Gregory Lawrence
Florence Keelson-Anfu (Deputy Chair)	Deputy Edward Lord
Deputy Randall Anderson	Catherine McGuinness
Deputy Keith Bottomley	Timothy James McNally
Alderman Sir Charles Bowman	Ruby Sayed
Deputy Henry Colthurst	Tom Sleigh
Steve Goodman	Mandeep Thandi
Deputy Christopher Hayward	James Tumbridge
Alderwoman Susan Langley	Deputy Philip Woodhouse

**Enquiries:** John Cater  
tel. no.: 020 7332 1407  
[john.cater@cityoflondon.gov.uk](mailto:john.cater@cityoflondon.gov.uk)

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<https://youtu.be/fRaatybjJEI>

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**John Barradell**  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes and non-public summary of the meeting held on 19<sup>th</sup> October.

**For Decision**  
(Pages 5 - 8)

4. **DRAFT HR BUSINESS PLAN 2023/24 AND PROPOSED PEOPLE STRATEGY FRAMEWORK**

Report of the Chief People Officer & Executive Director, Human Resources.

**For Discussion**  
(Pages 9 - 22)

5. **REVENUE OUTTURN 2021-22**

Joint Report of the Town Clerk, the Chief Operating Officer, the Chamberlain, and the Comptroller & City Solicitor.

**For Information**  
(Pages 23 - 28)

6. **CONTRACTUAL NOTICE PERIOD INCREASE - FOR EMPLOYEES ON GRADES H TO J**

Report of the Chief People Officer & Executive Director, Human Resources.

**For Decision**  
(Pages 29 - 32)

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

8. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

9. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**For Decision**

**Part 2 - Non-Public Agenda**

10. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 19<sup>th</sup> October.

**For Decision**  
(Pages 33 - 36)

11. **MARKETS CO-LOCATION PROGRAMME: FUTURE RESOURCING & FUNDING**

Report of the Chief Operating Officer.

**For Decision**  
(Pages 37 - 72)

12. **TOWN CLERK AND CHIEF EXECUTIVE INDUCTION ARRANGEMENTS**

Report of the Chief People Officer & Executive Director, Human Resources.

**For Information**  
(Pages 73 - 82)

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

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

**Part 3 - Confidential Agenda**

15. **CONFIDENTIAL MINUTES**

To agree the Confidential minutes of the last meeting held on 19<sup>th</sup> October.

**For Decision**

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## **CORPORATE SERVICES COMMITTEE** **Wednesday, 19 October 2022**

Minutes of the meeting of the Corporate Services Committee held at Guildhall on  
Wednesday, 19 October 2022 at 1.45 pm

### **Present**

#### **Members:**

Deputy Alastair Moss (Chair)  
Deputy Randall Anderson  
Deputy Keith Bottomley  
Alderman Sir Charles Bowman  
Steve Goodman  
Alderwoman Susan Langley  
Gregory Lawrence  
Deputy Edward Lord  
Catherine McGuinness  
Mandeep Thandi  
Deputy Philip Woodhouse

#### **Officers:**

Bob Roberts	- Deputy Town Clerk
Michael Cogher	- Comptroller and City Solicitor
Marcelle Moncrieffe	- Executive Director & Chief of People
Caroline Reeve	- Corporate HR
Caroline Jack	- Executive Director, Private Secretary to the Lord Mayor
Caroline Al-Beyerty	- The Chamberlain

### **1. APOLOGIES**

Apologies for absence were received from Florence Keelson-Anfu, Henry Colthurst, Christopher Hayward, James McNally, and Ruby Sayed.

### **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 non-public summary of the meeting held on 6<sup>th</sup> September be approved as an accurate record, subject to a clarification that the pilot for non-teaching recruitment at the City of London Freemen's School, alluded to on page 7, was in fact, an opportunity which the School would not be pursuing.

4. **CHANGES TO COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a Report of the Chief Operating Officer concerning changes to the Committee's Terms of Reference.

Officers clarified that the term "industrial relations" had been replaced by "employee relations" to better reflect current terminology concerning relations between employer and employees.

Officers clarified that those staff members employed by the City of London Academy Schools were not directly employed by the City Corporation; this was in contrast to staff at the independent schools who were within the City's employment.

In response to the Deputy Chair's request for the (Member involved) appointment matrix to be included as an appendix to the Committee's Terms of Reference, the former Chair of the Committee pointed out that the matrix, agreed by the Court of Common Council in April 2021, was always intended as a temporary fix to ensure that appointments could be made effectively and expeditiously, it would be a helpful exercise to review the matrix and, within its Terms of Reference, explicitly reference the Committee's responsibilities around overseeing senior recruitment, with wording alluding to the establishment and maintenance of a permanent appointments matrix. The COO would look to revise the wording in section 3B 1 to reflect this and come back to the Committee for approval in due course.

**RESOLVED** – That the Committee approved the proposed changes to the Terms of Reference of the Corporate Services Committee, as set out in Appendix A.

5. **GUILDHALL RECEPTION & SECURITY SERVICES DELIVERY MODEL**

The Committee considered a Report of the City Surveyor concerning the Guildhall Reception & Security Services Delivery Model.

**RESOLVED** – that the Committee:

Noted the report and approved the proposals 1 to 3 outlined in the Report.

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

There were no questions.

7. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There were no urgent items.

8. **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.

9. **NON-PUBLIC MINUTES**  
**RESOLVED** – That the non-public minutes of the meeting held on 6<sup>th</sup> September were approved.
10. **WORKPLACE POSTURE**  
The Committee considered a Report of the Chief Operating Officer concerning the organisation's workplace attendance arrangements.
11. **REPORT OF ACTION TAKEN - BUSINESS CASE FOR HUMAN RESOURCES TRANSFORMATION**  
The Committee received a Report of the Town Clerk concerning an approval of the Town Clerk, in consultation with the Chair and Deputy Chair, involving the justification for an overspend excess of budget, to cover additional costs for the Human Resources (HR) team.
12. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were no questions.
13. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were no items of urgent business.
14. **CONFIDENTIAL MINUTES**  
**RESOLVED** – That the confidential minutes of the meeting held on 6<sup>th</sup> September were approved.
15. **FOOTMAN SERVICES TO THE LORD MAYOR**  
The Committee considered a Report of the Executive Director & Private Secretary to the Lord Mayor.
16. **EMPLOYMENT TRIBUNAL CASES AND SETTLEMENTS**  
The Committee considered a Report of the Comptroller & City Solicitor.
17. **TOWN CLERK'S UPDATE**  
The Chief Operating Officer updated Members on one matter.

**The meeting ended at 2.50 pm**

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Chair

**john.cater@cityoflondon.gov.uk**

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# Agenda Item 4

<b>Committee:</b>  Corporate Services Committee – For decision	<b>Dated:</b>  7 <sup>th</sup> December 2022
<b>Subject:</b> Draft HR Business Plan 2023/24 and proposed People Strategy Framework.	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b> We have access to the skills and talent we need.	8
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>Not applicable</b>
<b>What is the source of Funding?</b>	<b>Not applicable</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Not applicable</b>
<b>Report of:</b> Dr Marcelle Moncrieffe, Chief People Officer	<b>For Decision</b>
<b>Report author:</b> Mark Williams, Interim Assistant Director: Talent & Organisational Development	

## Summary

Members are asked to provide their views and observations on the draft HR Business Plan before it is finalised and brought back to the Committee for approval in January 2023. Work has also commenced on developing a People Strategy for the organisation. Some key themes and priorities that have been developed and the views and observations of Members are sought to inform the development of the strategy.

## Recommendations

Members are asked to provide their comments and observations on the Draft HR Business Plan and the proposed People Strategy framework.

## Main Report

### Background

1. Chief Officers are required to produce an annual Business Plan as part of the Corporation's performance management framework. Service committees consider Business Plans annually. The draft HR Business Plan sets out the priorities for the service for 2023/24. Members views and comments are sought before the Business Plan is finalised and presented to the Committee in January 2023.
2. A key priority for the organisation is to put in place a People Strategy. The aim of the People Strategy is to set the long-term strategic vision for how the Corporation will lead and engage its employees to achieve high levels of performance and satisfaction. This People Strategy will be adopted across the Corporation, including the Institutions.

### Proposals

#### *Annual Business Plan*

3. The Draft HR Business Plan is provided at Appendix 1. The plan sets out the aims and objectives for the services and the priorities for 2023/24. It also includes performance metrics. The key priorities can be summarised as:-
  - Implementing the HR Target Operating Model
  - Putting in place the People Strategy
  - Refreshing the Reward strategy so it enables us to recruit and retain the right talent.
  - The HR service being a trusted partner which leaders and employees value and respect
  - Embedding new work styles throughout the Corporation
  - Working in partnership with our Institutions to become a community of best practice in people management.

#### *People Strategy*

4. One of our most important priorities is to put in place a People Strategy that will support and enable the Corporation to meet its ambitions and priorities. Our People Strategy is intended to be bold and ambitious and provide a clear people offer which is based on:-

**Warm welcome**- attraction, recruitment, onboarding, induction, probation  
**Great career** – Provide flexible career pathways and opportunities for everyone  
**Inclusive Environment**- Promote diversity inclusion and difference, act when things go wrong

**Modern People Practices** – Employee self-service, flexibility, total reward embracing intergenerational change

**Engagement** – Ask opinions, listen, and respond meaningfully with actions

5. Some initial work has been undertaken to identify the key themes that should be included in the Strategy. These are provided in Appendix 2. The proposed key themes are:-
  - Reward and Recognition
  - Wellbeing and Belonging
  - Attracting and retaining the best talent
  - Employee equality, diversity and inclusion
  - Transformation
  - Developing the organisation
  - Learning and Development
  - Performance
  
6. The strategy will be developed in early 2023 and will involve a wide range of stakeholder engagement including the new Town Clerk and Chief Executive, the Executive Leadership Board, Institutions, Trade Unions and Staff Forums before it is brought to this committee for approval.

### **Corporate & Strategic Implications**

Strategic implications – This proposal will support our priority to manage more effectively the skills and talent we need in relation to succession planning.

Financial implications – None arising from this report.

Resource implications – None arising from this report

Legal implications - None arising from this report

Risk implications – It is essential to have a clear Business Plan and People Strategy in place. A failure to do so would put the Corporation at risk of delivering its obligations and objectives.

Equalities implications – None arising from this report. Changes in policies and proposals that have workforce implications will be subject to their own equalities impact analysis as part of the HR Business Plan and People Strategy.

Climate implications - None

Security implications – None

### **Conclusion**

7. The Draft HR Business Plan and People Strategy framework set the direction of the HR service for both the short and medium term and the views and observations of Members are welcomed.

### **Appendices**

Appendix 1 – Draft HR Business Plan for 2023/24  
Appendix 2 – Draft People Strategy framework

**Mark Williams**

Interim Assistant Director: Talent and Organisational Development

E: [mark.williams@cityoflondon.gov.uk](mailto:mark.williams@cityoflondon.gov.uk)

T: 07513 703255

# HR Business Plan 2023/4

We aim to provide an efficient HR service to our customers.

### Our aims and objectives are...

The Human Resources department aspires to be a valued strategic partner, providing trusted people and change management advice. We endeavour to support the corporation to attract and retain the best talent through our approach to reward, hybrid working and workforce planning. We seek to be an employer of choice by promoting a diverse and inclusive culture and enabling opportunities for career progression. We aim to provide efficient HR operations systems and processes to offer a seamless service to our customers.

- **2022**
- *The recruitment of a Chief People Officer*
- *High number of HR staff made redundant from key roles*
- *Completion of the HR TOM, with a new design structure which has resulted in the necessity to recruit 20 new roles.*
- *HR TOM reviewed and HR Transformation bid submitted to address gaps and challenges*
- *Senior Officer Recruitment campaigns, including the Town Clerk & Chief Executive*

### Our major workstreams this year will be...

- **Implement the HR Target Operating Model** – The Chief People Officer (CPO) will continue to drive and lead on the changes in HR brought about by the Target Operating Model. In 2023 all 20 vacant posts, including three Assistant Director posts should be filled, and candidates will have begun their on-boarding. The new HR Senior Management Leadership Team will put the HR Vision high on the agenda by embedding the concept and engaging with our key stakeholders, identifying diverse business needs – **Transparent**
- **Corporate People Strategy** – To look at the life cycle of our employees from recruitment to staff leaving the organisation. Ensure talent is harnessed in HR and across the Corporation including the approach to career pathways, talent management and diversity equality and inclusion - **Enablement**
- **Reward Refresh** – To carry out a complete review of the Corporation's reward offering. Areas of work to be looked at include the appropriateness of our current pay scales and salary ranges, our job evaluation scheme and our benefits package. To create a reward and benefit strategy that directly aligns with the overarching people strategy and addresses the full suite of Corporate issues in relation to reward and benefits - **Credibility**
- **HR Unit** – Reset the HR Agenda. Create better cross and joined up working within teams, upskilling staff by supporting and creating team learning and development plans. Improve HR staff engagement and boost staff moral. Set values to improve capabilities and standards and focus on customer service and employee support services. Ensure a series of engagement sessions take place and that departmental action plans are taken forward providing the organisation with a fit for purpose HR Unit. Review HR systems including City People (I-Trent), processes and ways of working to improve outcomes - **Enablement**
- **Working Patterns** – Introduce permanent working patterns by segmenting the workforce into 4 categories. Ensure attractive and stable on-site working arrangements that both attract new employees and recognize the significance of being a place-based organisation – **Enablement**
- **Learning & Development** – Review of training courses, both mandatory and bespoke to support organisational learning with a better link to appraisals. Explore interactive training and face to face. Introduce two versions of staff induction (one for all new starters and a manager's induction). Strengthen people management skills for line managers - **Enablement**
- **HR Heads of Profession** – Work with our Institutions to establish community of best HR practice - **Partnership**

# Our strategic commitments

## Business –Integrated HR

- Create a People Strategy
- Ensure CoLC is an attractive place to work and progress
- Achieve the right culture for the organisation
- Invest in Organisational Development and Employee Engagement
- Create a welcoming and inclusive environment
- Accurate data recording. Better use of Dashboards

## Strategic HR

- Supporting business needs such as Reviewing Reward, Pay and Benefits
- Simplifying Job Evaluation, and creating Job Families
- Creating Career Pathways
- Better use of organisational talent
- Learning and Development Refresh
- Work with Departments departmental objectives
- Act on Feedback received

## HR Infrastructure

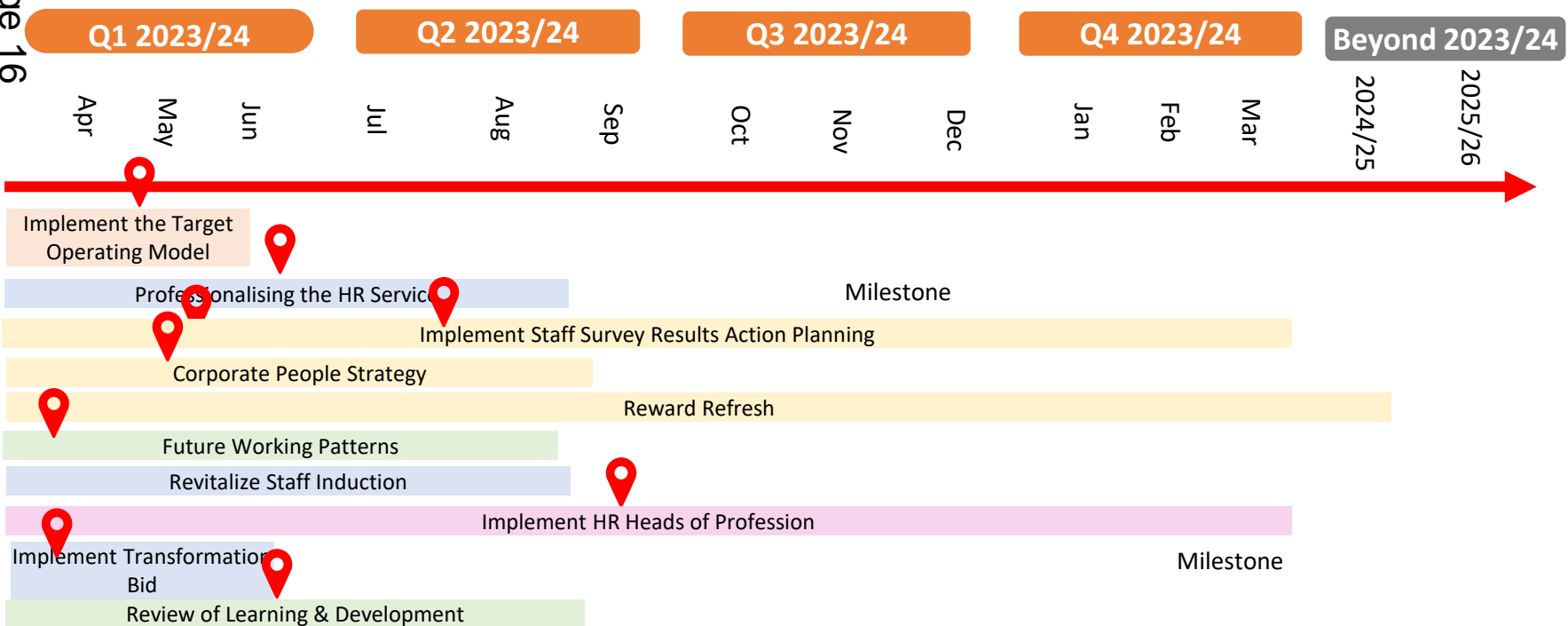
- Modernise Systems Processes & Procedures
- Upgrade and fix I-Trent HR system
- Introduce new ERP system
- Simplify internal processes and procedures
- Work towards more people management delegations to departments
- Develop SLAs and KPIs

# Maturity Assessment



# Our timeline planner

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## Medium Term Plans under consideration(2024/25 and 2025/26)

## Key Performance Indicators

Plan	Narrative
ERP System	Continual review of City People HR System iTrent Specification of HR requirement of ERP system, clarify priorities and develop a road map
New leadership programme	Programme of Management Upskilling. Career pathways for all staff in support of the TOM principles. Leading change and new ways of working
Strategy for Apprenticeship Scheme	Lead on increasing awareness and commitment to the growth of Apprenticeship opportunities for both new and existing staff in line with National directive Scheme and supporting implementation plans and processes to drive a revised approach August 2023
Bi-annual Staff Surveys	Gauge staff/customer feedback on how we are doing
HR Process Improvements	Using data analytics to be move evidenced based in prioritising activities and developing reporting suite on People data. Expanding on our Dashboards
Reward Review	Complete audit on COL Pay and Benefits Package
Implement People Strategy	Create a people strategy. Setting out objectives for our workforce attract, retain and grow our employees

#	KPI	Direction of Travel/ Target
1	Number of appraisals completed (HR)	TBC
2	Time to hire	TBC
3	Response times- Hr Helpdesk	TBC
4	Voluntary Turnover (HR enabler)	TBC
5	Level of Employee Relations cases (HR enabler)	TBC
6	Staff Survey results (HR)	TBC
7	Absence Management	TBC

## Our People

The HR department is committed to developing its staff. A team development plan will be created for each Assistant Director area to ensure staff are upskilled. Our priorities are:

- To train staff in the use of current and future technology.
- Commit to two HR staff away days per year and regular staff engagement sessions.
- Drive an ambitious culture where staff feel included and valued.
- To engage 3 apprentices and host work experience placements to further the HR profession and share learning.
- Establish Head of HR profession approach to drive HR best practice.

## Our plans progress EDI

Monitoring and use of data and information	2
Completing Equality Analysis (EQIA) and tackling discrimination and barriers to inclusion	2
Target setting and mainstreaming equalities into performance systems	2
Using procurement and commissioning to achieve equality and cohesion targets	2
Engagement & partnership	2
Employment and training	

## The Corporate Plan outcomes we have a direct impact on are...

- People enjoy good health and wellbeing.
- People have equal opportunities to enrich their lives and reach their full potential

## Our Stakeholders (or Customers) Needs

Consistent, knowledgeable advice; HR to be solution outcome focused with workable timescales. Be visible and engage with departments. To publish measurable KPIs



## Key Risks

	Minor	Serious	Major	Extreme	
Likelihood	1	0	3	0	Likely
	0	0	0	0	Possible
	0	0	0	0	Unlikely
	0	0	0	0	Rare
	Impact				

Risk Title HR	Score
Failure to recruit to vacant positions	8
Lack of fit for purpose HR Systems	8
Embedding TOM structures in department, Staff turnover in Key posts	4
HR capacity to fulfil decisions arising from Corporate Services and other Committees	8

## Our Impacts

Promote Employee wellbeing



Develop a People Strategy for 100% of staff



Increase customer satisfaction in HR Services



Celebrating Achievements



Fulfilling our targets on Apprenticeships



### **People Strategy Framework**

The Corporation is unique and is comprised of a number of public private and voluntary services which extend beyond the square mile. The Corporation has over 4000 employees both centrally and across several institutions. There is a single employer model meaning terms and conditions apply across the entire Corporation, with the exception of serving police officers and teachers.

The aim of the People Strategy is to set the long-term strategic vision for how the Corporation will lead and engage its employees to achieve high levels of performance and satisfaction. This People Strategy will be co-created and adopted across the Corporation, including Institutions.

### **Themes**

Based on emerging voices and evidence, the key themes of the People Strategy will include:

#### **Reward & Recognition**

Review the pay framework, in consideration of the Financial position and liaison with the Chamberlains department; Introduce Total Reward concept (recognition and reward for the work people do), assess benefits and intergenerational fit, terms & conditions and job evaluation.

#### **Wellbeing & Belonging**

Engagement measures linked to the People Strategy and measured, triangulated data and insights that enable us to be a full lifecycle service based on a person-centred approach. Improving survey, pulse and amplifying opportunities for employee voices. . Review Employee Well-Being offer, deliver effective Occupational Health services., Maximise attendance through reduced sickness absence across COL . Link to effective Health & Safety (hazards, psycho-social hazards).

#### **Attracting & retaining the best talent**

Deliver a great employee experience (lifecycle); Talent management & Succession Planning, Flexible career paths and progression (Career Pathways, job families); review and enhance Employer Brand to attract the best talent, offer range of modern working patterns, offer modern workplaces and people practices.

#### **Employee Equality Diversity and Inclusion**

Linked to EDI strategy, introduce targeted strategies and mitigations to reduce pay gaps, support implementation of our Public Sector Equality Duty, provide annual and regular workforce reporting, introduce workforce planning and modelling solutions into our business planning processes, review EDI Learning and Development programmes.

## **Transformation-**

Embrace the digital environment and how we work, to upgrade I-Trent, engage with Enterprise Resource Planning (ERP) as a modernisation tool to empower and devolve key people functions to our management and workforce community, increase self-service, deliver better automation, process improvement through reduced bureaucracy, SLA's in place for effective performance management and the transition to evidence-based people services by KPI's being met, and through effective change management. Putting in place a new framework for the management and supply of the contingent workforce that meets business needs and commission a new provider.

## **Developing the Organisation**

Review and refresh our vision, values and behaviours (to be led by Chief Executive); , Improve capability of senior leaders to act as role models, create an open and honest culture, treating people fairly by listening and acting on feedback; Ensure visible leadership, empowering and developing line managers with people skills by introducing greater people management delegations to inform evidence-based decision making (reporting & business partnering) and effective employee relations. Regularly seek the views of all colleagues through pulse surveys and regular all staff surveys and act on their feedback.

## **Learning & development**

Create a learning culture through encouraging coaching and mentoring; offer hybrid learning methods, encourage agile project management approach linked to continuous improvement, revise our induction programme for employees and line managers; develop career/ learning opportunities, apprenticeships, and placements and deliver tailored personal and professional development.

## **Performance**

Encourage a performance-based culture, improving performance management, enabling the workforce to recognise and celebrate excellence. This will be linked to leadership and management development and a holistic approach to people management.

## **Our People Offer**

**Warm welcome-** attraction, recruitment, onboarding, induction, probation

**Great career** – Provide flexible career pathways and opportunities for everyone

**Inclusive Environment-** Promote diversity inclusion and difference, act when things go wrong

**Modern People Practices** – Employee self-service, flexibility, total reward embracing intergenerational change

**Engagement** – Ask opinions, listen, and respond meaningfully with actions

## **Golden Threads**

- High performing HR function (development for HR team)
- Head of HR Profession
- Standardised Reporting and Management Information
- Data and insight as a performance and engagement enabler

## **Implementation**

The People strategy will be developed in consultation with a range of key stakeholders, including Institutions, with the aim of finalising the proposal in Spring 2023.

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# Agenda Item 5

<b>Committee:</b>	<b>Date:</b>
Corporate Services Committee	7 <sup>th</sup> December 2022
<b>Subject:</b> Revenue Outturn 2021-22	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> The Town Clerk, The Chief Operating Officer, The Chamberlain, The Comptroller and City Solicitor	<b>For Information</b>
<b>Report Authors:</b> Mark Jarvis, Head of Finance, Chamberlain's Department Mavis Amouzou-Akue, Senior Accountant, Chamberlain's Department	

## Summary

This report compares the revenue outturn for the services overseen by your Committee in 2021-22 with the final budget for the year. It also details the carry forward requests which have now been approved.

Overall total net expenditure during the year was £10.575m whereas the budget was £10.739m representing an underspend of £0.164m as summarised below.

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variations Better/(Worse) against Final Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Chief Officer</b>				
Total Town Clerk	(6,114)	(5,392)	(4,829)	563
Total Chief Operating Officer	0	(4,384)	(4,013)	371
Total Comptroller and City Solicitor	(544)	(688)	(1,169)	(481)
<b>Total Chief Officer</b>	<b>(6,658)</b>	<b>(10,464)</b>	<b>(10,011)</b>	<b>453</b>
<b>Support Services</b>	<b>(1,968)</b>	<b>(275)</b>	<b>(564)</b>	<b>(289)</b>
<b>Net Expenditure</b>	<b>(8,626)</b>	<b>(10,739)</b>	<b>(10,575)</b>	<b>164</b>

Expenditure and unfavourable variances are presented in brackets.

The overall outturn underspend of £0.164m comprises variations across several services which are detailed in paragraphs 3 and 4 in this report. The main variations are:

- Town Clerk's decreased net expenditure of £0.563m– largely due to projects in flight and agreed in 21/22, delayed due to vacancies in departments and TOM implementation.
- Chief Operating Officer- decreased net expenditure of £0.371m – mainly due to COVID 19 measures preventing active recruitment of Apprentices and the recruitment freeze.
- Comptroller and City Solicitor – £0.481m increased net expenditure largely due to a shortfall in external income, as a result of COVID 19 measures causing a slowdown in property transactions in the City.

Agreed carry forwards amount to £0.987m and are detailed at Appendix 2. Of these amounts, £0.589m are for the Town Clerk's department and £0.398m relates to Chief Operating Officer.

### **Recommendations**

Members are asked to note the:

- revenue outturn for 2021/22 showing an overall favourable variance to final budget of £0.164m; and
- Agreed carry forwards of central risk budgets of £0.987m to 2022/23.

### **in Report**

#### **Budget Position for 2021-22**

1. The 2021-22 original budget for the services overseen by your Committee was £8.626m as endorsed by the Court of Common Council in March 2022. This has subsequently been increased to a final budget of £10.739m. An analysis of the increase of £2.113m is provided in Appendix 1.

#### **Revenue Outturn for 2021-22**

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2021-22 totalled £10.575m compared to a budget of £10.739m, resulting in an underspend of £0.164m. A comparison of the final budget with the revenue outturn by Chief Officer is shown in the Summary and is analysed by risk in the table below.



	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variations Better/(Worse) against Final Budget</b>	<b>Notes</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Chief Officer</b>					
<b>Local Risk</b>					
The Town Clerk	(5,676)	(3,247)	(3,344)	(97)	3i)
The Chief Operating Officer	0	(3,531)	(3,940)	(409)	3ii)
The Comptroller and City Solicitor	(744)	(694)	(975)	(281)	3iii)
<b>Total Local Risk</b>	(6,420)	(7,472)	(8,259)	(787)	
<b>Central Risk</b>					
The Town Clerk	(438)	(2,145)	(1,485)	660	4i)
The Chief Operating Officer	0	(853)	(73)	780	4ii)
The Comptroller and City Solicitor	(200)	(6)	(194)	(200)	4iii)
<b>Total Central Risk</b>	(238)	(2,992)	(1,752)	1,240	
<b>Support Services</b>	(1,968)	(275)	(564)	(289)	
<b>Net Expenditure</b>	(8,626)	(10,739)	(10,575)	164	

Expenditure and unfavourable variances are presented in brackets.

3. The main reasons for the variation to the **local risk budgets** are:

- i. **The Town Clerk - £97,000 overspend** - The overspend relates to the 12% savings target set for the year 21-22 - which was not fully achieved.
- ii. **The Chief Operating Officer - £409,000 overspend** - A shortfall of £527k on the unidentified savings target of £899k for Corporate HR and Occupational Health; partly offset by
  - a. Higher than budgeted income on Staff Training of £55k through increased income generation; and
  - b. An underspend on Project Governance of £92k achieved through staff vacancies.
- iii. **The Comptroller and City Solicitor - £281,000 overspend** - A shortfall in meeting their unidentified savings target of £357k; An overspend of £24k on required practice knowledge sources and £39k on software purchases due to a necessary upgrade to the records management system during the year; partly offset by
  - a. a £99k underspend on salary budgets due to vacancies being held, and
  - b. higher than budgeted income of £45k from the Corporate and Public Law legal work stream.

4. The main reasons for the variation to the **central risk budgets** are:
- i. **The Town Clerk - £660,000 underspend** - An underspend of £1.33m on the Transformation Fund due to the non-completion of the TOM in 2021-22; An underspend of £98k due to the Pensioners and Staff Christmas lunches being cancelled due to COVID; partly offset by an overspend of £795k on Transformation and Change Management Staff costs.
  - ii. **The Chief Operating Officer - £780,000 underspend** - The unspent balance of the Apprenticeship contingency budget of £853k offset by £73k Pension Strain expenditure.
  - iii. **The Comptroller and City Solicitor - £200,000 overspend** was a result of no property related legal fee income being received. This was due to a legal fee waiver introduced by City Surveyors as an incentive to encourage property transactions in the adverse market conditions brought about by the COVID pandemic.

### **Carry Forwards to 2022-23**

5. Total agreed carry forwards was £987,000 of which £589,000 relate to the Central Risk Budgets of the Town Clerk and £398,000 relates to the Chief Operating Officer. Details of the Carry Forwards are set out in Appendix 2.

### **Year-end position and financial pressure in 2022/23**

Looking forward to 2022/23 there are a number of identified financial risks

- i. Whilst departments managed to find some of the 12 % savings targets with one off savings in 2021/22 a number still have to identify permanent savings to meet their 12% savings target in 2022/23 and future years. If they fail to do so, there is a risk that these savings will not be sustainable in the medium term.

### **Appendices**

- Appendix 1 – Analysis of movements from 2021-22 Original Budget to 2021-22 Final Budget
- Appendix 2 – Agreed Carry Forwards to 2022/23

### **Contact:**

#### **Mark Jarvis**

Head of Finance: Chamberlains Department  
[Mark.Jarvis@cityoflondon.gov.uk](mailto:Mark.Jarvis@cityoflondon.gov.uk)

#### **Mavis Amouzou-Akue**

Senior Accountant: Chamberlain's Department  
[Mavis.Amouzou-Akue@cityoflondon.gov.uk](mailto:Mavis.Amouzou-Akue@cityoflondon.gov.uk)

## APPENDIX 1

<b>Analysis of movements 2021-22 Original Budget to Final Budget</b>	<b>£'000</b>
<b>Original local risk budget (Town Clerk)</b>	<b>5,676</b>
Service areas moved from Town Clerks to Chief Operating Officer	(3,007)
Chief Officer funding	455
City Occupiers Database moved to Town Clerks	113
Covid Hero's	8
Grades A-C pay increase	2
<b>Final local risk budget (Town Clerk)</b>	<b>3,247</b>
<b>Original local risk budget (Chief Operating Officer)</b>	<b>0</b>
Service areas moved to Chief Operating Officer from Town Clerks	3,007
Payroll moved to Chief Operating Officer from Chamberlains	503
Chief Officer funding	15
Grades A-C pay increase	5
<b>Final local risk budget (Chief Operating Officer)</b>	<b>3,531</b>
<b>Original local risk budget (Comptroller and City Solicitor)</b>	<b>744</b>
Post moved to City Surveyors	(51)
Grades A-C pay increase	1
<b>Final local risk budget (Comptroller and City Solicitor)</b>	<b>694</b>
<b>Original central risk budget (Town Clerk)</b>	<b>438</b>
Transformation Fund allocation from Finance Contingency	1,500
Transformation Fund carry forwards from 2020/21	191
Redundancy costs met centrally	91
Pension Strain costs met centrally	77
Various Town Clerk Department costs moved to Finance Committee	(152)
<b>Final central risk budget (Town Clerk)</b>	<b>2,145</b>
<b>Original central risk budget (Chief Operating Officer)</b>	<b>0</b>
City Apprentice funding transferred from Finance Committee	853
<b>Final central risk budget (Chief Operating Officer)</b>	<b>853</b>
<b>Original central risk budget (Comptroller and City Solicitor)</b>	<b>(200)</b>
Pension Strain costs met centrally	194
<b>Final central risk budget (Comptroller and City Solicitor)</b>	<b>(6)</b>
<b>Original support services and capital charges budget</b>	<b>1,968</b>
Net movements	(1,693)
<b>Final support services and capital charges budget</b>	<b>275</b>
<b>Total original budget</b>	<b>8,626</b>
Total increase	2,113
<b>Total final budget</b>	<b>10,739</b>

APPENDIX 2

<b>Central Risk Carry Forwards by Chief Officer</b>	<b>£000</b>
<b><u>The Town Clerk (Guildhall Admin)</u></b>	
Transformation Fund - Projects inflight and agreed in 21/22, delayed due to vacancies in departments and TOM implementation	544
The staff Christmas lunches for 2021/22 were cancelled due to covid. This carry forward is to cover the one off spend on a summer event for staff (to take place on 25, 26, 28 and 29 July)	45
<b>Total Town Clerk (Central Risk)</b>	<b>589</b>
<b><u>The Chief Operation Officer (Guildhall Admin)</u></b>	
Support for HR savings gap in 22/23 due to delay in TOM restructure	<b>398</b>
<b>Total Chief Operating Officer (Central Risk)</b>	<b>398</b>
<b>Total Central Risk Carry Forwards</b>	<b>987</b>
<b>Total Central Risk Carry Forwards</b>	<b>987</b>
<b>TOTAL APPROVED CARRY FORWARDS</b>	<b>987</b>

# Agenda Item 6

<b>Committee:</b>  Corporate Services Committee – For decision	<b>Dated:</b>  7 <sup>th</sup> December 2022
<b>Subject:</b> Contractual Notice Period increase – for Employees on Grades H to J	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b> We have access to the skills and talent we need.	8
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>Not applicable</b>
<b>What is the source of Funding?</b>	<b>Not applicable</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Not applicable</b>
<b>Report of:</b> Dr Marcelle Moncrieffe Chief People Officer & Executive Director of HR	<b>For Decision</b>
<b>Report author:</b> Mark Williams, Interim Assistant Director: Talent & Organisational Development	

## Summary

The Committee are asked to approve a change to the current notice periods in City of London Terms & Conditions of Employment for employees at Grades H to J. The current policy for contractual notice periods does not allow enough time for recruitment to crucial roles at a senior level when an individual tenders their resignation. For these reasons, the Executive Leadership Board recommended that the contractual notice period for employees graded H to J is increased from two months to three.

## Recommendations

Members are asked to:

- Approve an increase to the contractual notice period from 2 months to 3 months for all City of London Corporation posts graded Grades H to J which will apply to all new job offers made with effect from 8<sup>th</sup> December 2022; and
- that in relation to employees currently employed on grades H to J, the committee notes that changes to their contractual notice periods will form part of the consultation on the wider Pay and Grading reforms which will take place in 2023.

## Main Report

### Background

1. The Executive Leadership Board (ELB) have reviewed the current notice periods set out in the City of London Terms & Conditions of Employment for employees at Grades H to J. Currently, employees on grades H to J are required to provide two months' notice if they resign. It was felt, particularly for roles within the Innovation and Growth Department that the current policy for contractual notice periods does not allow enough time for recruitment to crucial roles at a senior level when an individual tenders their resignation. For these reasons, the Executive Leadership Board recommend that the committee approves a change to the contractual notice period for job roles on Grades H to J inclusive.

### Current Position

2. Currently, employees employed on grades H to J are required to provide two months contractual notice when they resign from the Corporation.

### Options

3. A range of options have been considered as set out below.
  - **Continue with existing arrangements** – This has been discounted given the need to manage senior staff leaving the organisation more effectively and the recommendation of the Executive Leadership Board.
  - **Increase the notice periods for new appointments initially** – This is the recommended option as it can be easily implemented and does not affect existing staff on grades H to J.
  - **Apply the change in policy to existing employees as well as new appointments** – This would require the terms and conditions of each employee to be varied by mutual agreement or where this cannot be agreed through dismissal and re-engagement. This will be administratively burdensome and will take time. It is more appropriate to deal with the terms and conditions of existing staff as part of the review of the pay and reward review taking place in 2023.

### Proposals

4. It is proposed that from 8 December 2022 all new job offers for new appointments on grades H to J, include a three-month contractual notice period. A key benefit of the proposal is that an increase would also provide sufficient time for succession planning and/or a recruitment exercise to begin when employees leave the Corporation through resignation. It should also be noted that varying the contractual arrangements would also mean that there will be a corresponding

adjustment to the notice period provided by the employer from 2 to 3 months so there is shared contractual obligation on the part of both the employer and employee. This is standard employment practice. It should also be noted that a manager and employee can mutually agree a shorter notice period where this is appropriate to the needs of the service.

5. Jobs of comparable salaries in both the public sector and private the market, provide a 3 month notice period and the proposal will not have an adverse effect on attracting talent to work for the Corporation.
6. The proposals have been the subject of consultation with the senior staff representative and no concerns about the proposal have been raised.

### Key Data

7. The number of employees affected by the implications of the proposal are set out below:-

	<b>Current Notice Period</b>	<b>Proposed arrangements</b>	<b>Number of Employees</b>
Employees at Grade H – J	2 months	3 months	144

### Corporate & Strategic Implications

Strategic implications – This proposal will support our priority to manage more effectively the skills and talent we need in relation to succession planning.

Financial implications - None

Resource implications - None

Legal implications - Contractual provisions in respect of notice periods constitute an express term of the employment contract. An increase to three months' notice for new starters does not give rise to any particular risks or legal implications other than creating an updated express term for new staff, which would require agreement in the event of any future variations that are proposed. As the change proposed includes an increase to both notice to be given by and notice given to the employee, existing employees may be interested in accepting the variation, if offered, in order to benefit from the increased notice period of termination to be given to the employee.'

Risk implications – The recommendation is considered to be low risk as it only affects new appointments.

Equalities implications – A relevance check has been completed. The proposals have no impact on any existing employees' current contractual terms of employment and therefore there are no positive or negative impacts arising from the proposal. The pay and reward review taking place in 2023 will be the subject of a detailed Equalities Impact Assessment which will be reviewed and updated continuously.

Climate implications - None

Security implications – None

## **Conclusion**

8. Increasing the contractual notice period to three months for posts graded H to J enables the Corporation to better manage succession planning. The proposal is pragmatic and proportionate and recognises the need to apply the new policy to new appointments initially and address the position of current employees as part of the Pay and Grading review.

## **Appendices**

None

## **Mark Williams**

Interim Assistant Director: Talent and Organisational Development

E: [mark.williams@cityoflondon.gov.uk](mailto:mark.williams@cityoflondon.gov.uk)

T: 07513 703255



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