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Corporate Services Committee

Date: **WEDNESDAY, 1 JULY 2026**

Time: 1.45 pm

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

Members:

Florence Keelson-Anfu (Chair)
Anthony David Fitzpatrick (Deputy Chair)
Simon Burrows
Deputy Timothy Butcher
Deputy Henry Colthurst
Steve Goodman OBE
Deputy Christopher Hayward
Stephen Hodgson
Sandra Jenner
Gregory Lawrence
Alderman Professor Michael Mainelli
Alderman Christopher Makin
Deputy Andrien Meyers
Deputy Alastair Moss
David Sales
Mandeep Thandi
James Tumbridge
Philip Woodhouse

Enquiries: **Chris Rumbles**
christopher.rumbles@cityoflondon.gov.uk

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Ian Thomas CBE
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 of the Corporate Services Committee meeting held on 20 May 2026.

For Decision
(Pages 5 - 12)

4. ***FORWARD PLAN**

Joint report of the Town Clerk and Chief People Officer and Executive Director of HR.

For Information

5. *** ACTION TRACKER**

Report of the Town Clerk.

For Information

6. **SENIOR REMUNERATION SUB-COMMITTEE - CHANGE TO COMPOSITION**

Report of the Deputy Town Clerk.

For Decision
(Pages 13 - 18)

7. **ORGANISATIONAL CHANGE GUIDE**

Report of the Chief People Officer.

For Decision
(Pages 19 - 36)

8. *** GENDER, ETHNICITY AND DISABILITY PAY GAPS (MARCH 2025 SNAPSHOT)**

Report of the Chief People Officer.

For Information

9. *** PROGRAMME SAPPHIRE**

Report of the Chamberlain

For Information

10. *** REVENUE OUTTURN 2025-26**

Joint report of the Deputy Town Clerk, Chief People Officer, Chamberlain and Comptroller and City Solicitor.

For Information

11. *** DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES**

Report of the Town Clerk.

For Information

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

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

14. **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

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

16. **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

17. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the Corporate Services Committee meeting on 20 May 2026.

For Decision

18. **MAJOR WORKS TEAM (HRA), DEPARTMENT OF COMMUNITY AND CHILDREN'S SERVICES**

Report of the Executive Director of Community and Children’s Services.

For Decision

19. **HR UPDATE**

Chief People Officer to be heard.

20. **TOWN CLERK'S UPDATE**

Town Clerk to be heard.

CORPORATE SERVICES COMMITTEE
Wednesday, 20 May 2026

Minutes of the meeting of the Corporate Services Committee held at Guildhall on Wednesday, 20 May 2026 at 1.45 pm

Present

Members:
Florence Keelson-Anfu
Anthony David Fitzpatrick
Simon Burrows
Deputy Timothy Butcher
Deputy Christopher Hayward
Stephen Hodgson
Sandra Jenner
Gregory Lawrence
Alderman Professor Michael Mainelli
Deputy Andrien Meyers
Deputy Alastair Moss
David Sales
Mandeep Thandi
Philip Woodhouse

Officers:

Ian Thomas, CBE	-	Town Clerk and Chief Executive
Gregory Moore	-	Deputy Town Clerk
Polly Dunn	-	Assistant Town Clerk and Executive Director of Governance and Member Services
Christopher Rumbles	-	Town Clerk's Department
Oli Sanandres	-	Town Clerk's Department
Michael Cogher	-	Comptroller and City Solicitor
Cliff Morton	-	Interim Chief People Officer
Tom Kennedy	-	People and HR Department
Chris Fagan	-	People and HR Department
Rachel Mackay	-	People and HR Department
Sarah Martin	-	People and HR Department
Simon Gray	-	Chamberlain's Department
Sonia Virdee	-	Chamberlain's Department
Tabatha Swann	-	Corporate Strategy and Performance
Philippa Simpson	-	Barbican Centre
Paul Barton	-	Department of Community and Children's Services

Alderman Michael Mainelli, as the Senior Alderman present, was moved into the Chair.

1. **APOLOGIES**
Apologies for absence were received from Alderman Christopher Makin, Steve Goodman, Deputy Henry Colthurst and James Tumbridge.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
There were no declarations of interest.

3. **ORDER OF THE COURT OF COMMON COUNCIL**
The Committee received the Order of the Court of Common Council dated 23 April 2026, appointing the Committee for the ensuing year and setting its Terms of Reference.

4. **ELECTION OF CHAIR**
The Committee proceeded to elect a Chair in accordance with Standing Order No. 28.

The Town Clerk informed the Committee that Florence Keelson-Anfu and Sandra Jenner had expressed a willingness to serve, and that a ballot was therefore necessary.

A ballot having been taken, votes were cast as follows:

Florence Keelson-Anfu - 9
Sandra Jenner - 5

RESOLVED, That Florence Keelson-Anfu be elected as Chair for the ensuing year.

5. **ELECTION OF DEPUTY CHAIR**
The Committee proceeded to elect a Deputy Chair in accordance with Standing Order No. 29.

Anthony Fitzpatrick, being the only Member expressing a willingness to serve, was duly elected as Deputy Chair.

RESOLVED, That Anthony Fitzpatrick be elected as Deputy Chair for the ensuing year.

6. **MINUTES**
Minutes were considered as follows: -

a) The public minutes of the Corporate Services Committee meeting held on 15 April 2026 were approved as an accurate record.

7. **APPOINTMENTS TO SUB-COMMITTEES AND OTHER COMMITTEES**
The Committee considered a report of the Town Clerk concerning appointments to and composition of its Sub-Committees and also appointing representatives

on other Committees for the ensuing year. These were considered and approved as follows:

The composition and Terms of Reference for the Joint Consultative Committee were approved. The following appointments were approved:

Joint Consultative Committee for 2026/27: -

- Florence Keelson-Anfu (Chair of the JCC)
- Anthony Fitzpatrick (Deputy Chair of the JCC)
- Gregory Lawrence
- Sandra Jenner
- Philip Woodhouse
- The Finance Committee representative, Deputy Andrien Meyers

It was agreed to hold over the one remaining vacancy on Joint Consultative Committee.

Senior Remuneration Sub-Committee

The Chair took the opportunity to raise concerns regarding the current operation and composition of the Senior Remuneration Sub-Committee.

In particular, concern was expressed regarding duplication between the Appraisal Panel, as agreed by the Court, and the Senior Remuneration Sub-Committee, given the overlap in membership and the resulting inefficiency in governance and decision-making. Reference was also made to difficulties arising from the handling of confidential information and to the ongoing challenge of securing sufficient Member participation to enable the Sub-Committee to operate effectively.

The Chair further observed that, whilst it had been intended that independent advisers would play a more consistent role in supporting the Sub-Committee's work, this had not formed a sufficiently formal part of the current process. It was suggested that stronger independent challenge would be beneficial and that the appointment of high-calibre independent members could assist in improving scrutiny and the quality of decision-making.

Members' attention was drawn to a briefing note circulated at the meeting setting out background information on the Senior Remuneration Sub-Committee and the principal issues arising. The note also put forward a potential approach whereby the membership of the Sub-Committee might be aligned with that of the Appraisal Panel, together with the addition of two independent members.

In the discussion that followed, Members agreed that the issues raised would benefit from fuller consideration at a future meeting.

Accordingly, it was agreed that approval of the composition, terms of reference and appointments to the Senior Remuneration Sub-Committee be deferred to a future meeting.

A Member indicated that they would raise a further point in respect of Senior Remuneration Sub-Committee during confidential session.

The Committee approved the following two appointments to the Equality Diversity, and Inclusion (Policy & Resources) Sub-Committee for 2026/27:

- Anthony Fitzpatrick (as the Chair's nominee)
- Philip Woodhouse, Chief Commoner

There was agreement to hold over the one remaining vacancy on Equality Diversity, and Inclusion (Policy & Resources) Sub-Committee.

The Committee approved the following appointment to Member Development and Standards (Policy and Resources) Sub-Committee for 2026/27:

- Sandra Jenner

There was agreement to hold over the one remaining vacancy on Member Development and Standards Sub-Committee.

The Committee also noted that there was no proposal to change its annual frequency of meetings from the previous agreement to meet no less than eight times a year, whilst further noting Policy and Resources Committee's commitment to achieving governance efficiencies and a targeted reduction in the overall number of Committee meetings, that the frequency of Corporate Services Committee meetings would be kept under review.

8. **HEALTH & SAFETY: FUTURE REPORTING**

The Committee considered a report of the Deputy Town Clerk relating to a proposal to amend the approach to health and safety reporting, moving to a more strategic, high-level (quarterly) oversight report to this Committee, and with it being supplemented by detailed reporting at Service Committee level.

Members expressed their general support for the proposed move to a more strategic, high-level quarterly health and safety reporting structure, recognising the benefits of a clearer high-level overview. It was, however, emphasised that the Committee should retain flexibility to receive more frequent and detailed updates in respect of areas of non-compliance or heightened risk. A Member highlighted the importance of maintaining effective oversight of health and safety at an appropriate level, particularly in understanding the data underpinning reporting, and suggested that refresher training could be provided to Members to support effective scrutiny.

In response, it was stressed how the approach proposed would provide a more strategic level overview to the Committee, whilst also allowing a level of flexibility to focus on areas of concern where it was required. It was confirmed that refresher training could be provided to Members to support their understanding of the health and safety reporting framework, with a workshop similar to that previously delivered being provided again. This would provide Members with a clearer understanding of how to interpret the dashboards and underlying data

and enable them to more effectively scrutinise the information being presented to them and to identify areas requiring further challenge.

RESOLVED, That Members

1. Approved the move from monthly to quarterly routine Health & Safety updates to this Committee.
2. Noted that the Director of Health & Safety would continue to bring matters to the Committee outside the quarterly cycle where required, including significant incidents, emerging corporate risks, consideration of risk appetite or changes to assurance

9. **FORWARD PLAN**

The Committee received a joint report of the Town Clerk and Chief People Officer and Executive Director of HR presenting a forward plan on the work of the Committee.

RESOLVED, That the report be received and its contents noted.

10. **ACTION TRACKER**

The Committee received a report of the Town Clerk providing the latest position in respect of actions arising from previous meetings.

A Member referred to the HR dashboard presented in draft form at the last meeting in April when it was still under development and requested that this be clearly flagged and included on the Action Tracker until a final version was available and the reporting frequency was established.

The Member asked that the Action Tracker also record the previous agreement to capture data on the numbers of additional HR people working in the Corporation who were based in institutions and departments other than the central HR function.

RESOLVED, That the report be received and its contents noted.

11. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES**

The Committee received a report of the Town Clerk advising of decisions taken under delegated authority or urgency procedures since its last meeting.

RESOLVED, That the report be received and its contents noted.

12. **INTERNAL AUDIT INSIGHT REPORT: EMPLOYEE RELATIONS CASE MANAGEMENT**

The Committee received an insight report of the Group Chief Internal Auditor in respect of Employee Relations Case Management.

The Chair referred to the action plan that was in place to resolve the remaining issues and asked that this be circulated to Members following the meeting.

RESOLVED, That the report be received and its contents noted.

13. **PROGRAMME SAPPHIRE (ERP) UPDATE REPORT - JANUARY 2026**
The Committee received a report of the Chamberlain providing an update on Programme Sapphire (ERP).

A Member sought clarification on the financial and operational implications of any potential slippage in Programme Sapphire, including the impact on payroll modules, alignment with Ambition 25, and whether financial consequences would be reported to this Committee.

It was confirmed that detailed financial considerations would be reported to Finance Committee for their consideration, with Corporate Services Committee being provided with information as required, particularly where slippage might affect payroll modules or alignment with Ambition 25.

RESOLVED, That the report be received and its contents noted.

14. **REGISTER OF INTEREST FOR THE SENIOR MANAGEMENT GROUP**
The Committee received a report of the Chief People Officer and Executive Director of HR concerning the Register of Interests for officers within the Senior Management Group.

A question was raised regarding the scope of disclosure, specifically why declarations were limited to more senior grades and did not extend more broadly to Grade I and J officers. It was suggested that there should be greater transparency and scrutiny, including consideration of whether declarations for a wider cohort of officers (particularly Grades I and above) should be made available to the Committee.

Clarity was provided that the Committee currently reviewed declarations for Chief Officers in the Senior Management Grade, while Grades I and above declarations were held and reviewed at a departmental level. This reflected established practice and proportionality, given the number of staff involved. It was confirmed that the current arrangement could be reviewed, subject to consideration of necessity, proportionality and data protection implications. The Committee could request access where justified, whilst having regard to the sensitivity of the information and the roles concerned.

The Chief People Officer agreed to take the issue away for further consideration and return with a report addressing an appropriate level of disclosure and thresholds for reporting.

RESOLVED, That the report be received and its contents noted.

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.

16. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
There was one additional item of business as follows:

The Chair took the opportunity to note, following the annual appointment to Committees, the departure of Adam Hogg, Edward Lord and Sir Charles Bowman since the last meeting and thanked them for their valued service and contributions to the work of the Committee.

The Chair also welcomed to the Committee, Deputy Andrien Meyers, Deputy Tim Butcher and Alderman Christopher Makin (in his absence).

17. **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.

18. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.

19. **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.

20. **CONFIDENTIAL MINUTES**
Confidential minutes were considered as follows:

    a) The confidential minutes of the Corporate Services Committee meeting held on 15 April 2026 were approved as an accurate record.

21. **CONFIDENTIAL RESOLUTION TO CORPORATE SERVICES COMMITTEE FROM RESOURCE ALLOCATION SUB-COMMITTEE**
The Committee considered a confidential resolution from Resource Allocation Sub-Committee.

22. **ESTABLISHMENT OF A DEPARTMENT OF COMMUNITY AND CHILDREN'S SERVICES HEALTH AND FIRE SAFETY TEAM.**
The Committee considered a report Director of Community and Children's Services concerning the establishment of a Department of Community and Children's Services Health and Fire Safety Team.

23. **BARBICAN STAFFING**
The Committee considered a report of the Chief Executive Officer, Barbican Centre, concerning Barbican staffing.

24. **MEMBER LED RECRUITMENT - MANAGING DIRECTOR, CITY BRIDGE FOUNDATION**
The Committee received a report of the Town Clerk concerning Member-led recruitment for the post of Managing Director, City Bridge Foundation.

25. **COST OF LIVING PAY AWARD (COLPA) 2026/27**

The Committee considered a report of the Chief People Officer and Executive Director of HR concerning the Cost of Living Pay Award (COLPA) 2026/27.

26. **HR UPDATE**
The Chief People Officer was heard.

27. **TOWN CLERK'S UPDATE**
The Town Clerk was heard.

The meeting ended at 3.58pm.

Chair

Contact Officer: Chris Rumbles
christopher.rumbles@**cityoflondon.gov.uk**

Committee(s): Corporate Services Committee – For decision	**Date:** 1 July 2026
Subject: Senior Remuneration Sub-Committee – Change to composition	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Deputy Town Clerk

Summary

At the May meeting of the Corporate Services Committee, discussion took place regarding the composition of the Senior Remuneration Sub-Committee and particularly the overlap between the Appraisal Panel identified within the City Corporation's Pay Policy Statement and the composition of the Sub-Committee. A range of views were expressed and Members determined that it would be prudent to reflect more fully on any proposed changes and revisit the matter at the July meeting, deferring a decision on the preferred composition.

This report now sets out for consideration a proposal to amend the composition of Senior Remuneration Sub-Committee in order to streamline governance arrangements, remove duplication in the appraisal and remuneration setting process for the Town Clerk & Chief Executive and Senior Management Grade (SMG) Officers, whilst also looking to strengthen confidence in the robustness of arrangements through the inclusion of independent expertise.

Recommendation(s)

Members are asked to:

- Consider whether the composition of the Senior Remuneration Sub-Committee should be amended to replicate the composition of the Appraisal Panel, as defined by the City Corporation's Pay Policy Statement, supplemented by two (non-voting) independent advisors to be appointed by the Corporate Services Committee.
- Agree the Senior Remuneration Sub-Committee Terms of Reference at Appendix 1

Main Report

Background

1. On 26 February 2018, the then-Establishment Committee (now Corporate Services Committee) agreed to establish a Remuneration Sub-Committee. This was to be comprised of senior Members and intended to oversee and scrutinise the annual performance awards and pay ranges for members of the Senior Management Grade within the City Corporation. Members of the Sub-Committee were identified as:

    - Chairman and Deputy Chairman of Establishment Committee
    - Chairman and Deputy Chairman of Policy & Resources Committee
    - Chairman of the Finance Committee
    - Chairman of General Purposes Committee
    - Three Members of the Establishment Committee

2. The Composition has been tweaked thereafter, increasing the number of Members drawn from the Committee from three to four.

The Role of Senior Remuneration Sub-Committee

3. The Senior Remuneration Sub-Committee sets the initial salary on appointment, together with the individual salary band (and considers any adjustments to salary bands thereafter), for staff with posts in the Senior Management Grade.

4. Thereafter, the Town Clerk & Chief Executive may recommend salary progression for SMG posts (other than in relation to his own) within the individual salary band, and the Senior Remuneration Sub-Committee considers these (usually in the context of end of year appraisal assessments).

5. In respect of the Town Clerk & Chief Executive, the Sub-Committee is advised by an Appraisal Panel comprising:

    - The Chair of the Policy & Resources Committee
    - The Chair of the Corporate Services Committee,
    - The Chair of the Finance Committee
    - The Chair of the General Purposes Committee of Aldermen

6. The Appraisal Panel set the Town Clerk's annual objectives and review performance against those objectives, receiving a report from the Chair of the Policy & Resources Committee who conducts the annual appraisal meeting with the Town Clerk.

7. The above is all articulated within the Pay Policy Statement, which is a legally mandated document set annually by the Court each year.

Current Position and Challenges

8. It has been commented that there is currently a significant degree of duplication in respect of the Town Clerk & Chief Executive's arrangement, whereby the Appraisal Panel makes recommendations to a Sub-Committee which is comprised of the same group of Members, alongside a number of additional individuals appointed by the Corporate Services Committee.

9. The additional Members of the Sub-Committee, having not been involved in the appraisal process in detail, will be privy to less information than those who are the Members of the Appraisal Panel, which raises material considerations around duplication of process and unnecessary bureaucracy.

10. As referenced at the May meeting, the Committee has not always been able to fill these vacancies efficiently (with, for instance, only one expression of interest received for the four vacancies at that meeting).

11. In addition, the Pay Policy Statement advises that the Sub-Committee should be supported by appropriate external advisers; this is not consistently currently the practice.

12. Separately, the most recent annual process has unfortunately resulted in sensitive information being known by Members outside of the Sub-Committee. This has, in turn, given rise to a potential loss of confidence in the process as it currently stands, and brings into question the efficacy of the extant arrangements.

Proposal

13. Responding to the challenges set out, it has been suggested that the composition of the Sub-Committee should be reconsidered with a view to:

    - removing duplication of process;
    - increasing confidence in the efficiency and effectiveness of the process; and,
    - incorporating the external advisers referenced within the Pay Policy Statement.

14. One suggestion is that the re-casting of the Appraisal Panel to also serve as the Sub-Committee – augmented by two independent advisers, to be appointed by the Corporate Services Committee, would seem to achieve the above objectives.

15. These independent advisers would be proposed on the basis of expertise within the HR field, in order that they can offer constructive advice and challenge on objective setting, appraisal assessment and benchmarking.

16. Members are invited to consider whether this would be desirable, or whether any additional roles should also be incorporated into any revised composition.

Corporate & Strategic Implications –

17. **Strategic Implications –** The change proposed will improve governance at a strategic level by aligning the Sub-Committee and Appraisal Panel, reducing duplication and strengthening oversight.

18. **Financial Implications** – There are no additional financial implications arising from the proposal

19. **Resource implications -** Streamlining governance arrangements is expected to reduce administrative duplication and improve efficiency.

20. **Legal implications –** Any changes would need to align with the City Corporation's Pay Policy Statement.

21. **Risk implications –** Continuing with the current arrangements presents an ongoing risk of inefficiency of process and has implications relating to the handling of sensitive information. The proposal presented mitigates these risks through a simplified and strengthened governance process

22. **Climate implications –** None

23. **Security implications –** None

Conclusion

24. The Committee is asked to consider whether that the composition of the Senior Remuneration Sub-Committee should be amended to replicate the composition of the Appraisal Panel as defined by the City Corporation's Pay Policy Statement, supplemented by two (non-voting) independent advisers to be appointed by the Corporate Services Committee.

Appendices

- Appendix 1 – Revised Terms of Reference of Senior Remuneration Sub-Committee (reflecting changes to Corporate Services Committee's terms of reference.

Background Papers

- None.

Senior Remuneration Committee – Terms of Reference

The Sub-Committee is responsible for exercising the powers of the Corporate Services Committee in the following paragraphs of the Grand Committee's terms of reference:-

- 4(a)
- Remuneration of officers in the Senior Management Grade, as captured in the Pay Policy Statement, which shall normally be delegated to the Senior Remuneration Sub-Committee, with power to act;

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Committee(s): Corporate Services Committee – For information	**Dated:** 01/07/2026
Subject: Organisational Change Guide	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes**	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Cliff Morton – Interim Chief People Officer
Report author:	Thomas Kennedy – Head of Policy and Industrial Relations

Summary

This report presents recommendations for the consideration of Members in relation to the Corporation's Organisational Change Guide. The report proposes revision of the current approval threshold for the Corporate Services Committee, with a view to ensuring that governance arrangements are proportionate and effective. Any proposed changes will remain subject to the Corporation's existing governance processes for the approval of Employee Handbook policy and guidance, including consultation with recognised trade unions.

Recommendations

Members are asked to:

- Approve revision of the Organisational Change Guide to introduce updated approval thresholds for organisational change proposals;

- Agree that Corporate Services Committee approval will be required only where proposals involve:
    a. an increase in recurrent establishment cost of £200,000 or more; or
    b. large-scale workforce impact affecting 20 or more employees or multiple departments;
    c. the creation of senior posts (Grade I and above or roles exceeding £100,000);

- Agree that all other organisational change proposals are subject to Chief Officer approval, in consultation with the Chief People Officer.

- Agree that Chief Officers may, at their discretion, refer any proposal to the Corporate Services Committee where it is of significant complexity, sensitivity, or wider organisational impact.

- Authorise the Chief People Officer to approve organisational changes on the terms stated, while ongoing governance processes and changes to the Employee Handbook and policy guidance are updated accordingly, including consultation with the recognised Trade Unions.

Main Report

Background

1. In The Corporation's Organisational Change Guide (Appendix 1) sets out the governance requirements for organisational change proposals.

2. Elected Members have requested a review of these arrangements to ensure they remain proportionate and effective. This report therefore sets out officer recommendations for a revised approach to approval thresholds within the governance framework for organisational change.

Current Position

3. The Organisation Change Guide currently states:

    Where your proposal is a restructure, you will usually need the approval of your department's Service Committee and Establishment Committee before embarking upon the next stage when the following applies:

i. *any redundancies are anticipated for permanent employees;*
ii. *your new structure will incur increased establishment costs;*
iii. *your new structure will affect 6 or more employees at grade H or below;*
iv. *there are anticipated consequences for other parts of the department or the wider City Corporation;*
v. *your restructure proposes to delete current posts of grade I and above; and/or*
vi. *your restructure proposes to create any new posts at grade I and above (or any posts where the total salary would exceed £100,000 per annum).*

4. In practice, these thresholds mean that a significant number of organisational change proposals are brought to Committee for approval, including those of varying scale and complexity.

Recommended Position

5. It is recommended that the current approval thresholds are revised to ensure that Member oversight is focused on proposals of greatest strategic, financial, and organisational significance, while enabling more proportionate and timely decision-making for routine organisational change.

6. Under the proposed approach, referral to the Corporate Services Committee would be required only where proposals involve:
    - an increase in recurrent establishment cost of £200,000 or more; or
    - large-scale workforce impact affecting 20 or more employees or multiple departments);
    - the creation of senior posts (Grade I and above or roles exceeding £100,000);

7. All other organisational change proposals are subject to Chief Officer approval, in consultation with the Chief People Officer.

8. Chief Officers may, at their discretion, refer any proposal to the Corporate Services Committee where it is of significant complexity, sensitivity, or wider organisational impact.

9. It is proposed that the Chief People Officer will approve organisational changes on the terms stated, while ongoing governance processes and changes to the Employee Handbook and policy guidance are updated accordingly, including consultation with the recognised Trade Unions.

10. This proposal will enable the continued progression of organisational change activities between committee meetings and during periods of member recess, where approvals may otherwise be delayed.

Conclusion

11. The proposed revisions to the Organisational Change Guide will ensure that governance arrangements are more proportionate and focused on areas of greatest organisational impact. By clarifying approval thresholds and increasing delegation to Chief Officers, the Corporation will be better able to respond to organisational change in a timely and efficient manner, while retaining appropriate Member oversight of significant decisions

12. Any proposed changes will remain subject to the Corporation's existing governance processes for the approval of Employee Handbook policy and guidance, including consultation with recognised trade unions.

Corporate & Strategic Implications

Strategic implications – None

Financial implications - None

Resource implications - It is anticipated that the proposed approach will reduce the time officers spend preparing committee papers, and by enabling decisions related to organisational change to be made more efficiently.

Legal implications - None

Risk implications - None

Equalities implications - None

Climate implications - None

Security implications - None

Appendices

Appendix 1 – Organisational Change Guide

Thomas Kennedy

Head of Policy and Industrial Relations

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Organisational Change

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Introduction

1. Change management is a broad discipline that involves ensuring organisational change is implemented smoothly and with lasting benefits, by considering its wider impact on the organisation and the people within it.

2. Organisational change can be driven by a number of factors, such as new legislative requirements, changing customer needs and organisational priorities, and how we manage the process of change is critical to its success. Well planned change needs to be communicated effectively, with careful consideration on the impact on the workforce, whilst at the same time maintaining organisational effectiveness.

3. Organisational change will have an impact on the workforce in some way or another, and how this is managed can have either a negative or a positive impact. Research has shown that employees can take their lead on how they respond to change from their line managers. Line managers can trigger positive behaviour by showing that they care about how change impacts on their teams, and how to manage and support them effectively.

4. Whilst governance around change differs according to the nature of the organisational change being proposed, each change initiative you manage or encounter will have its own unique set of objectives and activities, all of which needs to be properly and efficiently managed and coordinated.

5. This guidance provides support for managers to help identify, agree and implement organisational change, ranging from minor operational change to significant cross-cutting change and includes guidance on restructuring and service provision change.

6. Whatever organisational change managers are proposing to implement, the principles are the same, in that early engagement with staff and recognised unions will assist managers in capturing essential feedback and suggestions that might inform alternative options and solutions, and better inform the final decision and implementation process.

Key Stages of Organisational Change

7. Organisational change is essentially made up of four stages:

    - Developmental Stage
    - Proposals Stage
    - Consultation on Proposals Stage
    - Implementation Stage

Developmental Stage

8. The purpose of the developmental stage is to identify the driver/s for organisational change, what needs to change or be put in place to address this, and how it might be done. Early engagement with the workforce, recognised unions, employee representatives and other stakeholders is key to informing this decision-making process. Managers should follow the following steps at this particular stage.

9. Identify the drivers for change. For example, there may be a problem that needs solving or an opportunity that needs pursuing as a result of new legislation, changing customer needs or organisational priorities.

10. Ensure recognised unions are aware at this stage of the potential for any organisational change which affects employees (where there is the potential for employees graded H or above to be affected their employee representative should be made aware). This is not a formal notification but rather keeping them informed that you are considering change and why.

11. Seek input from your team, where appropriate, to help clarify the drivers for change and arrive at ideas and future options available.

12. Float your ideas with your department's senior management or leadership team to ensure they are supportive of them.

13. Discuss the drivers for change and potential options with other stakeholders to ensure these have been correctly identified and to ensure you will get support and buy-in from them (stakeholders may include those who have an interest including internal and external service users, those who may be impacted by any potential changes and/or those who are able to influence the success of any proposal). Discussions may need to be on a confidential basis, especially where proposed change may be commercially sensitive. Your stakeholders may also include corporate departments such as Corporate HR, Chamberlains and Comptroller & City Solicitors. Where current employees may be affected by any potential proposals departmental HR Business Partners should be consulted at this stage.

14. Understand where your proposal for organisational change aligns with the department's business plan and Corporate plan and identify if it might impact on other departments.

15. Identify how you will measure the success of your proposal for organisational change.

16. Where you consider that a restructure is a potential way forward, you should start to outline and develop new roles which will inform the basis of any proposed new structure. Indicative grades can be provided by Corporate HR to allow you to scope the cost of your proposals and assess the impact on current employees prior to the proposal stage. Requests should be sent via email to TC-HR.OrganisationalDevelopment@cityoflondon.gov.uk (TC – Organisational Development). When requesting an indicative grade, it is important that you advise you are in the developmental stage and that you are seeking indicative grades only (providing outline information as contained at Appendix A of to this guidance). Whilst it is not necessary to submit full job descriptions and person specifications for indicative grades, these will still need to be provided for final job evaluation once the Consultation on Proposals Stage has completed and prior to the Implementation Stage.

17. Where you consider that a service provision change is a potential way forward, you should follow the additional guidance outlined at Appendix C to this guidance.

18. A Public Sector Equality Duty (PSED) test of relevance and any subsequent equality analysis should be undertaken to assess whether different groups of people are, or could be, disadvantaged by the proposals. It is also an opportunity to identify any positive impacts for a protected equality group in line with the three equality aims (eliminate unlawful discrimination; advance equality of opportunity; foster good relations). The process should assess the impact on service users as well as the workforce affected by the proposals. A PSED test of relevance and any subsequent equality analysis should be undertaken at all stages where proposals change.

19. Once the above steps have been taken, you should have a good understanding of the organisational change options and recommendations you wish to propose and who will be affected by them, and you will move to the Proposals Stage.

Proposals Stage

20. The purpose of the proposal stage is to gain approval for your proposals for organisational change at the appropriate Officer or Member level depending upon the nature of your proposals. This will involve you articulating your proposals in writing, either in a Committee Report where Member approval is necessary or in a similar format to a Committee Report where only Officer approval is required, including explaining the drivers for change, sharing your vision and outlining options and recommendations.

21. Where your proposals involve a service provision change, you should follow the additional guidance outlined at Appendix C of this guidance.

22. Once proposed options and recommendations have been identified by you, these should be articulated in writing for onward approval by your Chief Officer (or delegated senior manager in their absence). Generally speaking, you should be seeking approval to commence consultation with employees, recognised unions and employee representatives (the latter where employees at grade H and above are affected) and to implement your recommendations provided consultation does not significantly change your proposals. Organisational change proposals would usually require at least the approval of your Chief Officer and may need further Officer Group and/or Member approval.

23. Where there are various options for organisational change these should all be put forward as part of any proposal along with your recommended option.

24. Your written proposal should include the outcome of your PSED test of relevance and any equality analysis arising from it including any mitigating actions that you propose to take.

25. Proposals should be clear, include all relevant information and any feedback received at the developmental stage and explain what the drivers for organisational change are and how you propose to achieve the desired outcomes. Proposals should also identify any potential impact on resources, including the current workforce, budgets and any equality impact. Where restructuring is proposed, you should refer to the Implementation Stage of this guidance to assess the potential impact upon the current workforce. A proposed start date for the change should also be included in your written proposal and this should take account of the need to consult with appropriate stakeholders, including employees and recognised unions.

26. You should consult with stakeholders in relation to your written proposals, including Corporate HR, Chamberlains and Comptroller's & City Solicitor's departments (where

appropriate). Any proposals that impact upon current employees' terms and conditions of employment, however small, must be forwarded to HR for comment prior to submission of your proposal and before commencing the consultation stage.

27. Depending upon the nature of your organisational change proposals, Officer Group and/or Member approval may be necessary. Member approval will usually include your Service Committee but may also include other Committees such as Establishment Committee, Finance Committee or Policy & Resources Committee. Accordingly, the Committee timetable should be taken into consideration when proposing any implementation dates for proposals to take effect. The Committee & Member Services team can provide guidance on Member approvals necessary depending upon your specific proposal if it is not contained in this guidance.

28. Where your proposals impact upon more than one department, it may be necessary for you to take your proposal to an Officer Group such as Summit Group or a sub-group thereof prior to any Member approval being sought. Further advice can be provided by the Corporate Strategy & Performance Team in the Town Clerk's Department.

29. Where your proposal is a restructure, you will usually need the approval of your department's Service Committee and Establishment Committee before embarking upon the next stage when the following applies:

    a. any redundancies are anticipated for permanent employees;
    b. your new structure will incur increased establishment costs;
    c. your new structure will affect 6 or more employees at grade H or below;
    d. there are anticipated consequences for other parts of the department or the wider City Corporation;
    e. your restructure proposes to delete current posts of grade I and above; and/or
    f. your restructure proposes to create any new posts at grade I and above (or any posts where the total salary would exceed £100,000 per annum).

30. In the case of 8(f) above, an additional level of approval by the Court of Common Council is required to create any such posts once your proposal to create them has been endorsed by Establishment Committee. Your report will therefore need to go to both Establishment Committee for endorsement and then the Court of Common Council for final approval.

31. Establishment Committee requires specific information in relation to restructures in addition to that which is contained in the City Corporation's Committee Template's general guidance. This can be found at Appendix B attached to this guidance. It is important to head up any report that potentially impacts upon current employees' terms and conditions as 'Confidential' rather than 'Not for Publication'. You should consult with your HR Business Partner on all Establishment Committee reports that you are planning to submit in good time prior to the Committee deadline to allow time for them to comment on your proposals.

32. If your proposal involves the transfer of the provision of a service to an external provider, both Service Committee and Establishment Committee approval is required. More detailed guidance on organisational change where there is a proposed change in service provision can be found at Appendix C of this guidance.

33. It is important that you are provided with the minute of any Committee decision in relation to your proposals, so you fully understand what has been agreed.

34. Once your proposals have been approved at the appropriate level as outlined above, you can move to the Consultation on Proposals Stage.

Consultation on Proposals Stage

35. The purpose of the Consultation on Proposals Stage is to share your proposals with and seek feedback from affected employees, recognised unions, employee representatives (the latter where employees graded H and above are affected) and any other identified stakeholders. An outcome of the Consultation on Proposals stage may be that your original proposals change.

36. There is a statutory requirement to undertake consultation with appropriate employee representatives, which includes the recognised unions, (referred to as 'collective consultation') in situations where 20 or more redundancies are foreseen within a 90-day period at any one City of London Corporation establishment and/or site. In this instance, 'redundancy' may also include significant changes to terms and conditions such as shift pattern changes. In addition, the City Corporation must notify the Department for Business, Enterprise, Innovation & Skills ('BEIS') of the potential redundancies. Collective consultation, where required, must be entered into with the recognised trade unions and/or employee representatives in accordance with the consultation timescales set out in the City Corporation's Redundancy Policy. Further guidance, including the information you are required to provide to recognised unions and/or employee representatives, is outlined in the Redundancy Policy and accompanying manager's guidance. It is extremely important that you ascertain whether collective consultation applies to your proposals with your HR Business Partner prior to undertaking any consultation on your proposals even if you do not foresee 20 redundancies as there may be other anticipated redundancies across the establishment and/or site within which your service is based that would trigger the statutory requirement. If collective consultation applies, your HR Business Partner will provide support and guidance to you to ensure the City Corporation's legal obligations are complied with at this stage.

37. Where proposals involve a service provision change, i.e. it is proposed to outsource the delivery of a current service to an external provider, there is a legal obligation to consult with Recognised Unions and Employee Representatives (the latter where employees of grade H and above are affected). You should refer to Appendix C of this guidance which outlines the consultation stage the organisation is obliged to

follow where a service provision change is being proposed rather than the Consultation Stage set out here.

38. If there is no statutory requirement to undertake collective consultation, in the interests of good employee relations, the City Corporation undertakes to informally consult with staff, recognised unions and employee representatives on the proposals in accordance with its Redundancy Policy. A typical consultation process (where collective consultation is not required) is outlined as follows:

    a. Share the proposals with affected employees, recognised unions, employee representatives (the latter where your proposals affect employees of grade H or above), and any other stakeholders affected by the proposed organisational change and ask for their comments on your proposals. Ideally a briefing meeting with all employees affected by the proposals should take place to communicate and explain the proposals and there should be sufficient time at the meeting for employees to ask questions on the proposals if they wish. Any affected employees who are on extended leave or seconded to another department or an external organisation should be invited to attend the meeting. They do not need to attend the meeting if they do not wish to, but a note of the meeting should be provided to them after it has taken place. Where your proposal may result in potential redundancies, any employees identified as being at risk of redundancy should have a separate 'heads-up' meeting prior to any briefing meeting with other employees who it is not expected would be at risk of redundancy.

    b. It is important that the proposals themselves, the reason for them and any potential impact is clear in verbal communications with employees, recognised unions, employee representatives and stakeholders. Always ensure you share the information with all affected employees, including those who may be on extended leave or on a secondment.

39. The information you provide at the briefing meeting should include the following:

    a. the business reason for the proposal;
    b. the current position and the future proposed position including, where you are proposing to restructure, current and proposed structures and indicative grades for new posts;
    c. the potential impact of your proposals on employees;
    d. the steps that you will follow including, where you are proposing to restructure, the process of selection for employees affected;
    e. the proposed implementation date of proposals.

40. Briefing meetings should be followed up with a consultation paper to all affected employees, recognised unions and employee representatives (the latter where employees at grade H or above are affected) outlining the proposals in writing as discussed at the briefing meeting and including the information at a-e above. Your HR

Business Partner should be consulted on your consultation paper prior to it being circulated. More detailed guidance on this information is below:

a. The business reason for the proposal

This should be consistent with the Committee Report which sought approval for the proposal (or Officer report if Member approval was not required). It should include the drivers for organisational change and how you believe your proposals will achieve the desired outcomes.

b. The current position and the proposed future position

Where your proposals involve a restructure, current and proposed structure charts should be accompanied with your consultation paper which allows employees, recognised Unions and Employee Representatives to clearly see which posts it is proposed will be deleted and those that will be created, including posts it proposed that employees will assimilate to or be ringfenced to. Indicative grading should also be attached to each post. It is best to avoid using colours to indicate this as not everyone is able to distinguish between colours and it is suggested that shapes are used instead to distinguish between proposed deleted posts and proposed new posts. You may not have full job description and person specifications at this stage but an outline of each new role, setting out the purpose of the post, outcomes expected and the knowledge, skills and experience that is required should be provided at this stage.

c. The potential impact of proposals on employees

The consultation paper, along with before and after structure charts if you are restructuring, should identify how many employees are affected by the proposal and what the impact on them would be, for example where you are proposing to restructure, are there are enough posts for employees to assimilate over to and/or whether assessments will need to be undertaken.

d. The process that you will follow

This should outline the steps in the process and explain what will happen once consultation has completed. Where you are proposing to restructure, the process of selection for employees affected should be included in the consultation paper. For example, where there are insufficient posts for employees, details of how the assessment process will work and what criteria will be taken into account in the decision-making process should be included.

e. Proposed Implementation Date

This should be consistent with the Committee Report or Officer report which approved the initial proposals but should always be subject to the consultation stage

and therefore may change as a result. A timetable should be included with the consultation paper which details what will happen and when leading up to the implementation date. This may include, where necessary, any training that may need to take place to support employees in the process and in new posts in the proposed new structure.

41. It is helpful to accompany the consultation paper with a covering letter explaining the consultation process and advising employees of support available to them. A suggested template letter for this purpose is provided at Appendix D to this guidance.

42. You should provide a reasonable opportunity for all affected employees, recognised unions, employee representatives and other stakeholders to ask questions in relation to the change and to provide their feedback including providing alternative options. Typically, two weeks is suggested as a reasonable period, but this may need to be longer during public holiday or summer holiday periods. The way in which feedback should be provided and the deadline by which to provide it should be clear to all you are seeking feedback from. You should ensure that the mechanisms for feedback takes into account those who are on extended leave or seconded to another department or external company.

43. Once all feedback has been received, consider whether the proposals should change. Sometimes feedback received provides helpful information, including alternative solutions that have not yet been considered, and as a result you may feel your proposal needs to be revised. Other times a manager might consider the feedback but not feel that it is possible or appropriate for the proposals to be revised as a result. In such circumstances, it is always helpful to advise the affected workforce, recognised unions, employee representatives and other stakeholders why their feedback did not change the proposals.

44. If your final proposal is revised it may be necessary to seek further approvals from your Chief Officer plus any Member approvals depending upon the extent of the revision to the original proposals approved. For example, if you are proposing to restructure and the revised proposals increase the number of employees potentially redundant. You should revisit the minute from any Member approval and/or seek guidance from your HR Business Partner and/or Committee Clerk (where Member approval was provided) to ascertain whether further approvals are necessary. If they are you should not move to the implementation stage until these approvals have been provided.

45. If you have not already done so you should now finalise the job descriptions and person specifications of the new roles in your structure and seek formal job evaluation. Once the job evaluation team have confirmed grades based on the full job descriptions and person specifications provided, you can proceed to the Implementation Stage below.

Implementation Stage

46. The purpose of the implementation stage is to confirm the final agreed organisational change decision to affected employees, recognised unions, employee representatives and other stakeholders (for example service users) and to implement the change. This stage should not commence until the Consultation on Proposals Stage has completed and final proposals have been approved by your Chief Officer and/or by Members, as outlined at that stage. The steps you should follow are outlined below. Where your change involves a service-provision change you should follow the Implementation Stage outlined at Appendix C rather than the guidance below.

47. Produce an implementation plan which identifies the steps to be undertaken to implement the change and includes a communication plan outlining when, how, where, to whom and through what channel communications will be made. An implementation checklist is provided at Appendix E.

48. Advise Recognised Unions and Employee Representatives (where employees of grade H and above are affected) of the outcome of the consultation process and consequent change decision, including information on when employees will be communicated with.

49. Inform the affected workforce of the organisational change that will take place and when it will take place. Sometimes the confirmed change is the same or similar to that proposed and shared with them at the Consultation on Proposals Stage. Other times, where feedback has amended the original proposals, the organisational change may be different and, in such cases, it is helpful to explain why it has been revised.

50. Where the change does not affect current employees' terms and conditions, for example a change of role, hours or place of work, the change can be confirmed to employees in writing along with an implementation date. HR Business Partners should be consulted at this stage to agree whether this will be undertaken by HR or by the department and will depend upon the nature of the change.

51. Where the change does affect current employees' terms and conditions, and does not relate to a restructure or service provision change, for example a contractual change to shift patterns, your HR Business Partner will provide specific advice to you on how to implement the change based on the specific change you are implementing.

52. Where the change is a service provision change, i.e. the service is being outsourced for delivery by an external provider, you should follow the guidance set out at Appendix C to this guidance.

53. Where the change is a restructure the following stages should be followed to fill positions in your new structure in consultation with your departmental HR Business Partner:

a. Assimilation

Where your new structure includes roles that are similar to current roles held by employees and there are sufficient posts available in the new structure for all employees, there is no risk of redundancy and therefore employees can be informed in writing that they will transfer, or 'assimilate', to the new positions from the date the new structure commences without the need for an assessment; a similar post would usually be a post with similar duties, requiring a similar level and type of skill, knowledge and experience, at the same grade based at the same general location or a location within reasonable travelling distance of their current location;

b. Closed Ring-fencing

Where your new structure includes new roles which are similar to current roles but there are more current employees than new roles, all employees in the current roles should be informed in writing that they may be at risk of redundancy; in such situations the new similar roles in your structure are 'ringfenced' and employees should be notified that they will need to undertake a competitive assessment with similarly affected employees.

The criteria used to assess each employee should be informed by the person specification for the new role but may also include other objective criteria as outlined in the City Corporation's redundancy policy. Once all assessments have been undertaken those employees who were assessed as having met the criteria outlined in the person specification (and any other previously agreed objective criteria) better than other employees in similar roles can be appointed to the new roles without the need for a 'trial period'. The remaining employees will be considered displaced as a result and should be advised in writing that they remain at risk of redundancy.

c. Open Ring-fencing

Displaced employees should be considered for any other remaining roles in your structure of the same grade or one grade below, before attempts to recruit from outside the team. This is subject to them being able to demonstrate as part of an assessment process that they have the required skills, knowledge and experience as outlined in the person specification. Those who are successful can be appointed to new roles on a trial period of 4 weeks (or longer up to 12 weeks by mutual agreement if the role requires a longer period of training). Appropriate training and support should be provided to employees during the trial period. Those appointed to role one grade below as a result of the restructure should receive the same protection arrangements as outlined in the Redeployment Policy. At the end of the trial period, if both parties accept the position is suitable, the employee is confirmed in the new role.

However, if either party reasonably considers the position is not suitable, the employee will need to be advised that they remain at risk of redundancy.

d. Redundancy and Redeployment

Any employees who are not appointed to a role in the new structure after the process outlined at a-c above has been followed will be advised in writing that a role has not been identified for them in the new structure and they remain at risk of redundancy. Please refer to the Redeployment Policy and Redundancy Policy and associated guidance to manage employees in this category.

List of appendices

- Appendix A: Request for an indicative grade form
- Appendix B: Information required by Establishment Committee for restructures
- Appendix C: Guidance in relation to Service Provision change
- Appendix D: Template covering letter to accompany a consultation paper
- Appendix E: Checklist for Implementation Plan

Links / Other resources

- Redundancy Policy
- Redeployment Policy
- PSED Toolkit & Equality Analysis