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| <b>Committee(s):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Date(s):</b>        |
| Remuneration Sub-Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 8 November 2018        |
| <b>Subject:</b><br>Senior Management Group (SMG) Remuneration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Public</b>          |
| <b>Report of:</b><br>Town Clerk & Chief Executive and<br>Director of Human Resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>For Information</b> |
| <p style="text-align: center;"><b>Summary</b></p> <p>The City of London operates a separate scale for its Senior Management Group (SMG) composed of departmental Chief Officers (excluding the Head Teachers of the three City Schools and the Commissioner of the City Police) and heads of significant professional areas in the City of London</p> <p>The combination of “corporate” and “market” values in the SMG scales allows for a certain flexibility within them, as posts can have their overall values reassessed (usually at times of vacancy but sometimes as result of assessment of duties undertaken by incumbent postholders where these have been added to or increased in importance in other respects). However, this can mean a post’s value may only be assessed at times when there is an overwhelmingly “obvious” need to do so. It obliges then Committee consideration and does not offer room for “real-time” assessment of values to meet changing corporate and strategic priorities.</p> <p><b>Recommendation(s)</b></p> <p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Consider the current arrangements.</li> </ul> |                        |

### **Main Report**

#### **Background**

1. The City of London operates a separate scale for its Senior Management Group, composed of departmental Chief Officers (excluding the Head Teachers of the three City Schools and the Commissioner of the City Police) and heads of significant professional areas in the City of London

2. The scale was established under the Pay & Grading Review approved by Court of Common Council and implemented with effect from October 2007, and currently covers the pay of 15 officers, listed below.
  - Director of Open Spaces
  - Director of Markets & Consumer Protection
  - Director of Corporate HR
  - Chief Grants Officer & Director of City Bridge Trust
  - Director of Community & Children's Services
  - Director of Economic Development
  - Director of the Built Environment
  - City Surveyor
  - Comptroller & City Solicitor
  - Executive Director of Mansion House & the Central Criminal Court
  - Principal, Guildhall School of Music & Drama
  - Chamberlain
  - Managing Director, Barbican Centre
  - Town Clerk & Chief Executive
3. Each post on the scale has its own individual six-point scale within it. Under the 2007 Review, these were set in accordance not just with the corporate "value" of the posts, but also to embrace the post's "market" value as well \*\*. This differs the SMG scale from those of Graded posts in the A-J pay scales, where corporate value alone is measured. Where posts on the A-J scales have a "market" value exceeding their "corporate" value, a separate Market Forces Supplement is paid to them.
4. Access through the scale for each individual officer also differs for SMG members. "Incremental" progression is not set in 3% measures as on the A-J scales but by individually determined increases of between 1 and 6%, depending on the performance of the SMG member. Once the top of the scale has been achieved, a non-consolidated Contribution Pay scheme operates, similar to the one which operates for officers at the top points of the D-J scales, but with again more flexibility in its application, and payments (if awarded) may be anything between 1 and 6% of base pay, as against the set 3 and 6% amounts paid to officers in the D-J scales who earn the payments in any particular year.
5. The combination of "corporate" and "market" values in the SMG scales allows for a certain flexibility within them, as posts can have their overall values reassessed (usually at times of vacancy but sometimes as result of assessment of duties undertaken by incumbent postholders where these have been added to or increased in importance in other respects) or market changes. However, this can mean a post's value may only be assessed at times when there is an overwhelmingly "obvious" need to do so. It obliges

then Committee consideration and does not offer room for “real-time” assessment of values to meet changing corporate and strategic priorities.

6. Members views are sought on the current arrangements as set out above.

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