

Report – Establishment Committee

Draft Pay Policy Statement 2019/20

To be presented on Thursday, 7th March 2019

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

The Localism Act 2011 requires the City of London Corporation to prepare and publish a Pay Policy Statement setting out its approach to pay for the most senior and junior members of staff. This must be agreed each year by the full Court of Common Council.

The Statement has now been updated for 2019/20 and has been considered and approved by your Establishment and Policy and Resources Committees under delegated authority procedures.

RECOMMENDATION

It is recommended that the Court considers and agrees the draft Pay Policy Statement for 2019/20 as set out in the Appendix to this report to ensure that the City Corporation meets its requirements under the Localism Act 2011.

MAIN REPORT

1. Under Section 38(1) of the Localism Act 2011 (the Act), all local authorities are required to produce and publish a Statement setting out their pay policies. The aim of the Act is that authorities should be open, transparent and accountable to local taxpayers on how pay decisions are made. Pay statements should set out the authority's approach to issues relating to the pay of its workforce, and in particular to the pay of its "Chief Officers" and the pay of its lowest paid employees.
2. The definition of "Chief Officers" given in the Localism Act is that of the Local Government and Housing Act 1989, and incorporates the latter Act's definitions of both "Chief Officers" and "Deputy Chief Officers". This is a much wider definition than the conventional definition of "Chief Officer" used in the City Corporation (generally denoting a head of department) and also wider than that which governs posts included in our Senior Management Group.
3. Under the Local Government and Housing Act, a "Chief Officer" is
 - the authority's head of the paid service (the Town Clerk & Chief Executive, in the City Corporation's case),
 - any person who in general answers directly to the head of the paid service, and

- any person (irrespective of whether they report directly to the head of the paid service) who in general is required to report directly to the authority itself or to any Committee or sub-Committee of the authority.

A “Deputy Chief Officer” under the Act is anyone who reports directly to any person defined as a Chief Officer.

4. The only employees who could be caught by any of these definitions who are excluded from them are those employees engaged principally in clerical or secretarial support, or who are responsible for other support services.
5. The 1989 Act applies to the City only in its capacities as a local authority, police authority and port health authority. However, in keeping with the commitment to wider transparency in our Pay Policy Statements, the basic definitions of “Chief Officer” and “Deputy Chief Officer” given in the 1989 Act have been applied in the draft Statement to all relevant employees of the City Corporation, irrespective of the capacity or capacities they work under, other than school teachers and employees working principally for the police authority, who are specifically excluded from the provisions of the Localism Act.
6. The Localism Act itself applies to the City Corporation only in its capacity as a local authority, but all previous Statements have provided information on all aspects of the organisation, other than those mentioned in the preceding paragraph
7. The Department for Communities and Local Government publishes guidance to the relevant parts of the Localism Act and a Code of Recommended Practice for Local Authorities on Data Transparency which is also of relevance in complying with the Act. The City Corporation must have regard to this guidance in formulating a Pay Policy Statement.
8. The Pay Policy Statement must be agreed and published by 31 March each year. The Statement must also be agreed, each year, by the full Court of Common Council in open session. Should any changes to the Pay Statement arise during the course of the year, a revised statement must come before the full Court.

Current Position

9. In addition to updating the Statement for the 2018-20 pay award, Members should note that the following amendments have been made:
 - a. An additional post (Chief Grants Officer & Director of the City Bridge Trust) has been added to the Senior Management Group staffing structure.
 - b. The bringing forward of the date from which the City Corporation pays the London Living Wage to its lowest-paid staff. This was previously the 1 April following the November announcement of the new rate and is now the actual date of its announcement.
 - c. Confirmation of the first report of the City Corporation in line with the legislation on the Gender Pay Gap.

- d. New information relevant to the position of “Chief Officers” and “Deputy Chief Officers” is provided at paragraphs 1, 17 and 26-30 of the Statement.
- 10. The Statement has not been amended to reflect changes that may arise from the Government’s intention to introduce restrictions on exit pay packages for employees leaving public-sector jobs. This is because the relevant Bill which would affect the regulations has not yet been read in Parliament.
- 11. Members should note that the Localism Act enables the Pay Policy Statement to be amended at any time when statute or internal policy requires it, and so any required revisions to the Statement will be put to Members when or if the requirement for them is clear.

Conclusion

- 13. It is **recommended** that the Court agrees the draft Pay Policy Statement for 2019/20, as set out in the Appendix to this report, to ensure that the City Corporation meets its requirements under the Localism Act 2011.

All of which we submit to the judgement of this Honourable Court.

DATED this 27th day of February 2019.

SIGNED on behalf of the Committee.

Charles Edward Lord JP, Deputy
Chair, Establishment Committee