

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

	Current Notice Period	Proposed arrangements	Number of Employees
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

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