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.