

FULL COUNCIL 3 MARCH 2021

Report title: Pay Policy Statement 2020/21

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andy Wilson

Report Authorised by: Fiona McDermott: Strategic Director for Finance and Investment

Contact for enquiries: Fridah Nkaka, Workforce Planning Analyst, 020 7926 5733,
fnkaka@lambeth.gov.uk

REPORT SUMMARY

This report is an update from the last report produced for Corporate Committee on January 23 2020.

Section 38(1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement from 2012/13 and for each year after that. This report updates previous reports produced for Corporate Committee.

This report summarises the requirements of the Localism Act and the Supplementary Guidance and asks Council to approve the Pay Policy Statement for 2020/21 period (a copy of which is attached as Appendix A). The report also updates senior pay across the Council's pay bands since the last report, reflecting some local changes to the Council's staffing establishment.

FINANCE SUMMARY

None arising from this report.

RECOMMENDATIONS

1. To approve the updated Pay Policy Statement for 2020/21 attached at Appendix A
2. To note the appointments made to posts attracting remuneration in excess of £100,000 per annum and severance packages in excess of £100,000 to date, attached at Appendix B.

1. CONTEXT

- 1.1 Section 38(1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy statement each financial year. Section 40 of the Act includes provision for the Secretary of State to issue guidance on the content and application of senior pay statements. Relevant authorities must have regard to this guidance in the exercise of their functions under the pay accountability provisions. It is recommended Corporate Committee approves the Pay Policy Statement for 2020/21 at its meeting on 21 January 2021 and this Statement will be published on the Council's website once approved by Full Council.
- 1.2 The Ministry of Housing, Communities and Local Government (MHCLG) issued Supplementary Guidance in February 2013, and authorities in England must take account of this and the original Guidance when preparing their Pay Policy Statements. This Supplementary Guidance deals mainly with salaries on appointment and severance payments at a threshold of £100,000 and over, setting out that Full Council should be offered the opportunity to vote on such packages. The Council's Pay Policy Statement was, therefore, reviewed in the light of this guidance and Council, at its meeting on 22 May 2013, endorsed the existing Council process for the appointment and setting of senior pay as set out in the Council's Constitution and the existing Council process for determining termination payments on redundancy, as required by legislation. In addition, Full Council endorsed the proposal that, in the interests of improving accountability and transparency, all appointments made to posts attracting remuneration in excess of £100,000 per annum and all severance packages in excess of £100,000 shall be highlighted in the annual report of the Pay Policy Statement.

2. PROPOSAL AND REASONS

- 2.1 At the snapshot date 1 December 2020, 448 employees were on annual pay of £50,000 or more, 24 out of 448 were on annual pay in excess of £100,000 per annum. Out of the 24 on annual pay in excess of £100,000, there were 11 appointments made since the last report as follows:
- Strategic Director of Children's Services;
 - Director of Environment & Streetscene;
 - Director of Regeneration and Housing Growth;
 - Director of Planning, Transport and Sustainability;
 - Director of Adult Integrated Commissioning (with CCG);
 - Director of Economy, Culture and Skills;
 - Interim Director of Legal & Governance;
 - Director Change and Strategic Delivery;
 - Director of Infrastructure and Capital Delivery;
 - Deputy Director – Adults and Health; and,
 - Assistant Director, Neighbourhood Regeneration & Partnerships.
- 2.2 At December 2020, there are no employees who were paid since the last report an overall severance package in excess of £100,000.
- 2.3 Before its effect, this policy statement must be approved by the Corporate Committee. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective. Since consideration by Corporate Committee in January, the government revoked the Exit Cap Regulations, which placed a £95,000 cap on public sector exit payments. The Pay Policy Statement has been updated to reflect this.

- 2.4 Full Council is subsequently asked to approve the Pay Policy Statement for 2020/21 as required by Section 38 (1) of the Localism Act 2011.

3. FINANCE

None arising from this report.

4. LEGAL AND DEMOCRACY

- 4.1 The body of this report sets out the statutory basis for the requirement to have a Pay Policy under the provisions to the Localism Act 2011.
- 4.2 There were no further comments from Democratic Services.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Corporate Committee at its meeting on 11 January 2012 advised there was no need to set up a remuneration committee so long as there was regular reporting on the extent to which the Council is meeting the requirements of the Localism Act 2011. Update reports have subsequently been taken to Corporate Committee on an annual basis.

6. RISK MANAGEMENT

- 6.1 No potential risks have been identified associated with the recommendations set out in this report.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 The pay policy affects the entire workforce (excluding schools). The Council has robust processes in place for collecting and reporting on a range of employee data as it relates to appointment and severance for staff with protected characteristics. These reports are considered by a range of Members and officers and are intended to represent a culture of openness and transparency. Significant changes or trends identified will be subject to a full equalities impact assessment.

8. COMMUNITY SAFETY

- 8.1 None.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 Not applicable.

Health

- 9.2 Not applicable.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 None.

Responsible Procurement

9.5 Not applicable.

10. TIMETABLE FOR IMPLEMENTATION

10.1 Not applicable.

AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andy Wilson	Cabinet Member for Finance and Performance	05.01.21	18.02.21	
Fiona McDermott, Strategic Director	Finance and Investment	04.01.21	07.01.21	
Nisar Visram, Finance	Finance and Property	16.12.20	17.12.20	
Andrew Pavlou, Legal Services	Legal and Governance	16.12.20	18.12.20	
David Rose, Democratic Services	Legal and Governance	16.12.20	16.12.20	
Dean Shoesmith, Director HR	Finance and Property	10.12.20	16.12.20	
Linda D'Souza Corporate Committee	Payroll and Pensions	04.01.21 21.01.21	04.01.21	

REPORT HISTORY

Original discussion with Cabinet Member	na
Report deadline	19.02.21
Date final report sent	18.02.21
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	<ul style="list-style-type: none"> • Localism Act 2011 • Openness and accountability in local pay: • Guidance under section 40 of the Localism Act 2011 • Openness and accountability in local pay: • Supplementary Guidance S40 Localism Act 2011: February 2013 • Council (20.05.15): Pay Policy: report and minutes • HMT – draft Public Sector recovery of exit payment regulations – December 2015 • HMT – draft Public Sector exit payment regulations 2016 • Part-time Employment (Prevention of Less Favourite Treatment) Regulations 2000 • The Agency Worker Regulations 2010 • Transfer of Undertakings (Protection of Employment) Regulations 2006 • Local Government and Housing Act 1989 • The Restriction of Public Sector Exit Payments Regulations 2020

	<ul style="list-style-type: none">• Guidance on Public Sector Exit Payments (12 February 2021)
Appendices	Appendix A – Lambeth Pay Policy Statement 2021 Appendix B - Addendum to Pay Policy Statement Appendix C - The Council's Discretionary Policy Statement