

CORPORATE COMMITTEE 27 JANUARY 2022

Report title: Pay Policy Statement 2021/22

Wards: All

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

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

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REPORT SUMMARY

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 financial year after that. 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 (a copy of which is attached as Appendix A). The report also updates senior pay across the Council's pay bands, reflecting some local changes to the Council's staffing establishment and will be published on the Council's website once approved.

Finance summary

None arising from this report.

RECOMMENDATIONS

1. To approve the updated Pay Policy Statement for 2021/22 attached at Appendix A.
2. To note the appointments made to posts attracting remuneration more than £100,000 per annum and severance packages more than £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 for 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 2021/22 at its meeting on 27 January 2022 and this Statement will be published on the Council's website once approved by 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 more than £100,000 per annum and all severance packages more than £100,000 shall be highlighted in the annual report of the Pay Policy Statement.

2. PROPOSAL AND REASONS

- 2.1 For transparency, in the financial year 2021/22 to date, 506 employees were earning £50,000 or more, 26 out of 506 were receiving remuneration of more than £100,000 per annum.

There were 4 appointments during this period to a post attracting remuneration more than £100,000 per annum as follows:

- Director, Resident Experience & Digital
- Director, Education & Learning
- Programme Director: Neighbourhood
- Assistant Director, Neighbourhood Regeneration & Partnerships.

The total of 506 represents an increase of 58 over last years' figure for earning over £50,000 of 448. The majority of this increase is not the number of managers but the impact of annual incremental pay increases that take employees who were below £50,000 to now over this moving level. The total of 26 represents an increase of 2 over last year's figure of 24 receiving remuneration over £100,000pa.

- 2.2 As of December 2021, there were no employees who were paid, during this period, overall severance packages more than £100,000 for the financial year 2021/22
- 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.
- 2.4 Full Council is subsequently asked to approve the Pay policy statement for 2021/22 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	12.01.22	14.01.22	
Fiona McDermott, Strategic Director	Finance and Investment	29.12.21	07.01.22	
Sian Hedger, Finance	Finance and Investment	29.12.21	07.01.22	
Andrew Pavlou, Legal Services	Legal and Governance	29.12.21	07.01.22	
Chloe Morris, Democratic Services	Legal and Governance	29.12.21	04.01.22	
Martin Cox, Interim Director HR of OD	Finance and Investment	29.12.21	07.01.22	

REPORT HISTORY

Original discussion with Cabinet Member	Yes
Report deadline	14.01.2022
Date final report sent	14.01.22
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
Appendices	Appendix A – Lambeth Pay Policy Statement 2022

	Appendix B - Addendum to Pay Policy Statement Appendix C - The Council's Discretionary Policy Statement 2022
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