

FULL COUNCIL 25 MAY 2022

Report title: Pay Policy Statement 2022/23

Wards: All

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. Section 39(3) provides that each subsequent statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates.

This report summarises the requirements of the Localism Act and the Supplementary Guidance and asks Council to approve the Pay Policy Statement for 2022/23 (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.

This report was considered at Corporate Committee on 27 January 2022 and is an update on this report.

Finance summary

None arising from this report.

RECOMMENDATIONS

1. To approve the updated Pay Policy Statement for 2022/23 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 from 1 April 2021 – 31 March 2022, in paragraph 2 of the report.

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 Full Council approves the Pay Policy Statement for 2022/23 following consideration by Corporate Committee on 27 January 2022. 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, at the 31 December 2021, 479 employees were earning £50,000 or more, 31 out of 479 were receiving remuneration of more than £100,000 per annum as of 31 March 2022.

There were 3 appointments were made in this financial year (1 April 2021 – 31 March 2022) to posts attracting remuneration more than £100,000 per annum as follows:

- Director, Legal & Governance
- Director, Education & Learning
- Programme Director: Neighbourhood

- 2.2 Between 1 April 2021 and 31 March 2022 there was one severance package of more than £100,000.
- 2.3 It is anticipated that in 2022-2023 there may be one or two posts created which are paid over £100,000, but the details have not been finalised.
- 2.4 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.
- 2.5 Full Council is subsequently asked to approve the Pay policy statement for 2022/23 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 The Pay Policy Statement will be displayed on the councils external website with immediate effect.

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	
Cagdas Canbolat, Finance	Finance and Investment	08.04.22	11.04.22	
Dawn Lelliott, Legal Services	Legal and Governance	08.04.22	13.04.22	
Victoria Lower, Democratic Services	Legal and Governance	08.04.22	11.04.22	
**Martin Cox, Interim Director of HR & OD	Finance and Investment	29.12.21	07.01.22	
Raymond Prince, Director Legal and Governance	Legal and Governance	13.04.22	19.05.22	Comments throughout

* Councillor Wilson stood down at the Local Elections on 5 May 2022. New post holder to be confirmed on 25 May 2022

**Post now covered by Melanie Medley – Director of HR & OD

REPORT HISTORY

Original discussion with Cabinet Member	Yes
Report deadline	11.05.2022
Date final report sent	16.05.22
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

	<ul style="list-style-type: none"> • Transfer of Undertakings (Protection of Employment) Regulations 2006 • Local Government and Housing Act 1989 • The Restriction of Public Sector Exit Payments Regulations 2020
Appendices	<p>Appendix A – Lambeth Pay Policy Statement 2022 Appendix B - Addendum to Pay Policy Statement Appendix C - The Council’s Discretionary Policy Statement 2022</p>