
PAY POLICY STATEMENT 2021/22

Committee: Full Council

Date: 23 February 2021

Author: Nicole Pema, HR Manager

[V135]

1.0 **ISSUE**

1.1 To present the Council's Pay Policy Statement 2021/22, a requirement under the Localism Act 2011.

2.0 **RECOMMENDATION**

2.1 It is recommended that Members approve and adopt the 2021/22 Pay Policy Statement.

3.0 **BACKGROUND**

3.1 The Localism Act 2011 requires the Council to prepare a Pay Policy Statement for each financial year. The Statement must be prepared and approved by the end of March each year.

3.2 The Council's Pay Policy Statement for 2021/22 is attached at Appendix 1.

3.3 The statement must include the pay and remuneration for all posts on the Council's establishment designated as 'Chief Officer' in accordance with the Local Government and Housing Act 1989 (see Section 2.4 of the Pay Policy Statement).

3.4 The Pay Policy Statement has to include:

- The level and elements of remuneration for each Chief Officer;
- The remuneration of the lowest paid employee; and
- The relationship between the remuneration of Chief Officers and other Officers.

3.5 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and other discretionary payments.

3.6 Following the introduction in November 2020 of regulations to implement the £95k Exit Cap in local government there is currently an interim position in relation to pension and severance arrangements. The new regulations cap the total exit payment that may be made to a departing local government employee to a sum not exceeding £95,000. This sum includes statutory redundancy payments, discretionary payments and any capitalised pension strain payment (payment to the LGPS for early release of pension before normal retirement date). Pension strain payments may be due to be paid in connection with employees aged 55 or over, if they are part of the Local Government Pension Scheme.

3.7 There has also been consultation on proposed changes to the Local Government Pension Scheme (LGPS) and the outcome of the consultation on proposed changes to the LGPS is not known at this time. Provisions within the Exit Cap are now scheduled for Judicial Review in Spring 2021.

3.8 In light of the current position in relation to the £95k Exit Cap regulations and potential changes to the Local Government Pension Scheme (LGPS) it may be necessary to amend the Pay Policy and Pensions Discretions Statements in 2021.

3.9 Within the Treasury directions relating to the Exit Cap regulations there are provisions to apply for a discretionary waiver of the exit cap in exceptional circumstances. Any proposal to apply for a waiver of the current £95k Exit Cap provisions will be reported to Full Council for decision.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

4.1 The Council's Pay Policy Statement draws together existing policies relating to pay and reward and the financial implications of these policies were taken into account at the time they were established. There are no further financial implications arising from the policy proposals in this report.

4.2 An Equality Impact Assessment (EIA) is not required.

5.0 APPENDICES

5.1 Appendix 1 Draft Pay Policy Statement 2021/22

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Local Government and Housing Act 1989	Room 118	Nicole Pema
The Local Government Transparency Code (Feb 2015)	The Grange Ely	HR Manager (01353) 616325 E-mail: nicole.pema@eastcambes.gov.uk
Openness and Accountability in Local Pay: Guidance under the Localism Act 2011		

[The Restriction of Public Sector Exit Payments Regulations 2020](#)

[Local government exit pay: a guide for local authorities for the interim period until MHCLG regulations come into force](#)