

EXECUTIVE MANAGEMENT TEAM: 22 DECEMBER 2020
HR COMMITTEE: 14 JANUARY 2021
COUNCIL: 22 FEBRUARY 2021

PAY POLICY STATEMENT

1. INTRODUCTION

- 1.1 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. A recommended statement for 2021-22 is included at Appendix 1. The statement details the policies in place from 1 April 2021.
- 1.2 National Pay Award for 2021-22 is being negotiated nationally, once this has been agreed the attached Appendix 1 will be updated.

2. BACKGROUND

- 2.1 A pay policy statement must set out the authority's policies for the financial year relating to:
- (a) The remuneration of its chief officers,
 - (b) The remuneration of its lowest-paid employees, and
 - (c) The relationship between –
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.
- 2.2 The statement must state –
- (a) The definition of "lowest paid employees" adopted by the authority for the purposes of the statement, and
 - (b) The authority's reasons for adopting that definition

3. EXIT PAYMENTS

- 3.1 The statutory provisions governing exit payments to local government workers are in the process of reform.
- 3.1.1 This consists of three separate elements:
- The implementation of a £95,000 cap on public sector exit payments, including employer contributions to pension costs. The cap came into effect on 4 November 2020.
 - Reform of the Discretionary Compensation Payments Regulations and Local Government Pension Scheme Regulations to place additional restrictions on severance payments and limit the amounts an employer can contribute to pension strain costs where an employee aged 55 or over draws their pension early as a result of exiting
 - Proposals to require high earners to repay severance payments if they secure re-employment in the public sector within 12 months.

- 3.1.2 The proposals to require high earners to repay exit payments if they return to the public sector have previously been consulted on, but there has been no further indication of if, and when this proposal will be implemented. Therefore, the two most important issues currently are the implementation of the £95,000 exit payment cap and the proposed reform of the Discretionary Compensation Payments Regulations and Local Government Pension Scheme Regulations.
- 3.1.3 The Pay Policy Statement has amendments at point 22 and 23 to reflect changes so far.
- 3.1.4 This Pay Policy Statement will be updated to take account of any further legislative changes as and when they occur.

4 HR COMMITTEE COMMENTS

- 4.1 The HR Committee will consider the matter on 14 January 2021. The Committee's comments will be reported to the Council on 22 February 2021.

5. RECOMMENDATION

- 5.1 That it be recommended to the Council that the Pay Policy Statement 2021-22 as set out in Appendix 1 be approved.

For further information please contact:

Heleana Aylett
Service Manager – Human Resources
Tel: 023 80285588
E-Mail: Heleana.aylett@nfdc.gov.uk

Manjit Sandhu
Executive Head of Resources
Tel: 023 8028 5588
E-Mail: Manjit.sandhu@nfdc.gov.uk

Background Papers
Pay Policy Statement
Council Feb 2020