

Committee: Council

Date: 2 February 2022

Wards: All

Subject: Approval of the pay policy statement and of the Members' allowances scheme

Lead officers: Liz Hammond, Interim Head of HR; Louise Round, Managing Director of the South London Legal Partnership

Lead member: Councillor Owen Pritchard, Cabinet Member for Finance

Contact officers: Peter Andrews, Employee Relations, Pay and

Rewards Manager; Andrew Robertson, Head of Democracy and Electoral Services

Recommendations:

1. That Council approves publication of the Pay Policy Statement attached as Appendix A for 2022/23 and authorises the Monitoring Officer to make any consequential changes needed to the Constitution;
 2. That Council approves the Members' Allowance Scheme attached as Appendix D for 2022/23, noting that this does not currently include an increase in allowances in 22/23 ; and
 3. That Council notes that London Councils has published the Independent Remuneration Panel's report on the Remuneration of Councillors and asks the Standards and General Purposes Committee to consider that report at its first meeting in the next municipal year.
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Localism Act 2011 requires the Council to agree and publish a pay policy statement each year.
- 1.2 The existing pay policy statement for 2021/22 was approved by Council on 3 February 2021. The only amendments from the last year's version are updates to the pay ratios to reflect the current position and to reflect the fact that the regulations governing exit payments were withdrawn during the course of last year.
- 1.3 The report also recommends re-adopting the existing Members' Allowances Scheme and schedule of rates, with no annual uplift in those rates recommended at this stage but noting that London Councils has published the Independent Remuneration Panel's report on the Remuneration of Councillors. Councils are obliged to have regard to the Panel's recommendations when reviewing its own members allowance scheme and so it is proposed that the Standards and General Purposes Committee consider the report at its first meeting in the new municipal year with a view to making recommendations to full Council later in the year.

2. DETAILS – PAY POLICY

- 2.1 The pay policy statement for the year 2021/2022, approved by Council, is currently published on the Council's website.
- 2.2 Council is required to re-approve the pay policy statement each year.
- 2.3 There has been no substantive change in the council's pay policy although the pay ratios and statutory gender pay gap information have been updated to reflect the current position.
- 2.4 The pay policy statement was changed last year to require all severance packages over £95,000 to be approved by full Council, falling into line with the Exit Pay Regulations. These regulations have since been withdrawn and therefore it is proposed to revert to the previous threshold of £100,000 for severance packages to be approved by full Council.
- 2.5 Salary packages in excess of £100,000 will, in line with Government Guidance continue to require the approval of full Council before an offer of appointment is made although the updated statement gives the Chief Executive the authority to make temporary arrangements without the need for recourse to full Council.
- 2.6 The A draft Pay Policy Statement for 2022/23 is attached at Appendix A, along with the publication figures for 2020/21 at Appendices B and C.

3. DETAILS – MEMBER ALLOWANCES

- 3.1 In relation to the Members' Allowances Scheme the Council is required further to the Local Authorities (Members' Allowances) (England) Regulations 2003 to re-adopt its scheme of members allowances for the year 2022/23 and in doing so give due regard to the recommendations made by the report of the Independent Panel on the Remuneration of Councillors in London. The current scheme took into account the report published in 2018. The 2022 report was made available on 12 January this year and there has not been opportunity properly to consider its recommendations. Accordingly it is proposed that the existing scheme is approved, with no uplifts in the 20/21 rates but that the Standards and General Purposes Committee give full consideration to its recommendations with a view to reporting to full Council next municipal year with any recommendations for changes to the current scheme which, if Council agrees, can be backdated until May .

4. ALTERNATIVE OPTIONS

- 4.1 Publication of a Pay Policy Statement and member allowances are statutory requirements.

- 4.2 The Council could seek to change its Member Allowances scheme now but it would seem prudent to give full and proper consideration to the Independent Remuneration Panel's report. was made.

5. CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1 As there are no significant changes proposed, no consultation is required at this stage.

6. TIMETABLE

- 6.1 The Pay Policy Statement must be approved by Council for publication from 1 April 2022 on the Council's website.

7. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1 There has been no change in the council's pay policy, and the council is currently awaiting the outcome of national negotiation. The only amendments from last year's version are to update the pay ratios to reflect the current position or where indicated earlier in the report.
- 7.2 There is provision in the draft MTFS for 2022-26 for an increase in the budgeted cost of salaries and Members' Allowances. These provisions will be kept under review each year. They may be need to be revisited, depending on any recommendations arising from consideration of the Independent Remuneration Panel's Report.
- 7.3 The London living wage is currently set at £11.05 and will be the new rate for dependent carer allowances

8. LEGAL AND STATUTORY IMPLICATIONS

- 8.1 Publication of the Pay Policy Statement and annual re-approval by a meeting of the full council is a statutory requirement under the Localism Act 2011.
- 8.2 Guidance was issued to authorities in 2011 to accompany the Localism Act, and revised 'final supplementary guidance' was issued by the then DCLG in late February 2013. .
- 8.3 Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires re-adoption of the scheme on an annual basis. Before making or amending its allowances scheme, the Council is required, by Regulation 19, to have regard to the recommendations of an Independent Remuneration Panel.

9. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1 The intention of the pay policy measures in the Localism Act is to improve transparency of decision making, particularly in relation to top earners in the organisation.

10. CRIME AND DISORDER IMPLICATIONS

10.1 None

11. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1 None

12. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A – draft pay policy statement for 2021/22.
- Appendix B – statutory gender pay gap publication figures for 2018/19
- Appendix C – statutory BAME pay gap publication figures for 2018/19
- Appendix D – Members’ Allowances Scheme and Schedule of Rates

13. BACKGROUND PAPERS

1.1 None