

MINUTES OF THE MEETING OF THE STAFF APPEALS, APPOINTMENT AND REMUNERATION COMMITTEE HELD ON TUESDAY, 12TH JANUARY, 2021

MEMBERS: Councillors Nesil Caliskan (Chair), Charith Gunawardena and Edward Smith

Officers: Ian Davis (Chief Executive), Fay Hammond (Executive Director Resources), Tinu Olowe (Director of Human Resources & Operational Design), Julie Mimmagh (Head of Human Resources Operations), Jeremy Chambers (Director of Law & Governance), Andy Ellis (Governance & Scrutiny Officer) and Susan O'Connell (Governance & Scrutiny Officer)

Also Attending: 3 members of the public

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting.

2. DECLARATIONS OF INTEREST

No declarations of interest were received.

3. MINUTES

The minutes of the meeting 14 January 2020 were approved, however it was noted that none of the members from this meeting were in attendance.

4. REVIEW & ADOPTION OF STATUTORY PAY POLICY STATEMENT FOR 2021

RECEIVED a report from the Director of Human Resources and Organisational Design.

NOTED that:

1. The Localism Act 2011 requires all Councils to review and adopt a Pay Policy Statement each financial year.
2. The report to the Committee proposed amendments detailed under paragraph seven of the agenda report.
3. The main changes are in relation to the Pay Award agreed for 2020 which is detailed within the report as 2.75% increase and also the introduction of the Restriction of Public Sector Exit Payments Regulations 2020 and is the next item on the agenda this outlines the changes that came into force November 2020.
4. Following reports regarding pay increases during the year. Members were advised that there are processes in place to deal with this. It was

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recommended by the Chief Executive that future payments agreed under 3.7 of the Pay Policy for Directors or Executive Directors would be notified to the next available Remuneration Committee.

5. It was agreed going forward that if this was to reoccur the Chief Executive would notify this to this Committee.
6. The pay awards are negotiated at a national level through the joint national council between employer side and staff side and they are governed by the terms and conditions of employment. What is recommended at a national level and implemented at a local level.
7. Officers confirmed that the leaders of the opposition groups were briefed and consulted on the item before the meeting and their feedback has been taken into account

AGREED: The Staff Appeals, Appointment & Remuneration Committee agreed to put forward the proposed amendments to the statutory Pay Policy Statement for recommendation and approval at Full Council on 24th February 2021.

5. PUBLIC SECTOR EXIT PAYMENT REGULATIONS 2020

RECEIVED a report from the Director of Human Resources and Organisational Design.

NOTED that:

1. The Restriction of Public Sector Exit Payments Regulations 2020 came into force on 4 November 2020, this is a statutory bound policy which must be implemented, and this limits the exit payment within the public sector when a member of staff is either made redundant or leaves through efficiencies. The maximum payment an employer can make including, pension strain costs is £95k.
2. The regulations are clear about the cap imposed, within the agenda paper are included the payments that are captured. Within Enfield this will mainly relate to redundancy and the pension strain cost.
3. Under the Local Government Pension Scheme (LGPS) Regulations 2013 where an active member who has attained the age of 55 or over and is dismissed by reason of redundancy or business efficiency, they have an entitlement to receive early payment of unreduced pension. The employer is required to make a one-off payment to the pension scheme administrators to prevent any actuarial reduction of a pension on early retirement (referred to as the 'pension strain cost'). It is this cost which will lead to a number of exit payments breaching the £95k cap. This may affect officers with long service who are over 55 as well those highly paid officers.
4. The exclusions to this cap include; death in service payments; any payments as a result of accident, injury or illness and any awards from a court or an employment tribunal.
5. At the time the exit payments came into force the LGPS had not been changed. This means that there is a conflict between someone's contractual entitlement under the LGPS Regulations and the Restriction of Public Sector Exit Payments Regulations 2020. As a

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public sector authority, the Council is obliged to work as if the Exit Payment Regulations are fully enforced for all payments.

6. Under the existing LGPS regulations there is no criteria for the employer to make a part payment into the pension scheme and the pension scheme administrators cannot award partially reduced pension benefits.
7. The LGPS regulations were out for consultation and this closed on the 18 December 2020. The outcome is expected to be published in Spring 2021, it is hoped that this will remove any conflict in the legislation.
8. At present an individual can only be offered statutory redundancy payment, an option to receive their occupational redundancy entitlement and a fully reduced or deferred pension. Once there is clarity the council will go back to any individuals currently affected by the cap and clarify their actual entitlements and make good any shortfall in payment of their entitlement.
9. The agenda paper covers the current position, as soon as there is clarity regarding the LGPS Regulations officers will come back to this committee with an update.
10. There are at least 3 Judicial Reviews which have been given leave from the high court with national bodies which are challenging the entire lawfulness of the exit cap regulations.
11. Until there is certainty the overriding objective is to protect the public purse. Advice has been taken on this from a senior QC. This is causing significant challenges across the entire public sector.
12. It was confirmed that Trade Union representatives have been fully briefed and there is a fortnightly meeting for which this is a standing item.
13. Clarity was provided that this benefit is not available for staff dismissed for poor performance.
14. It was reiterated that the cap does not only affect those on high pay given that the pension amounts are also taken into consideration the £95k is very easily reached particularly for those who have had many years of service. It is important that Trade Union representatives are kept up to date on developments.
15. Officers confirmed that the leaders of the opposition groups were briefed and consulted on the item before the meeting and their feedback has been taken into account.

6. DATE OF NEXT MEETING

The date was noted.