

North Yorkshire Council

Executive

7 November 2023

Clarification Pay Policy Senior Managers

Report of the Assistant Chief Executive (HR and Business Support)

1.0	PURPOSE OF REPORT
1.1	To provide Executive with clarification and amendments to the Pay Policy for Senior Managers.
1.2	If Executive are in agreement then Full Council are required to sign off any changes to the Pay Policy.

2.0 BACKGROUND

- 2.1 Annually full council are required to approve the pay policy for senior managers which is then required to be published. This was presented to full council in February 2023 with effect from 1 April 2023.
- 2.2 In May 2022 the Government introduced new statutory guidance around the making of and disclosure of Special Severance Payments (SSP) by Local Authorities. This guidance ensures that full council approve any special severance payment over £100k. An addition was made to the pay policy for February 2023.
- 2.3 We have in place, through the Scheme of delegation, approvals for amounts up to £100k as well as full council approval over £100k. Payments between £20k – £100k are approved by Chief Executive and Leader and payments under £20k are approved by Assistant Chief Executive (Legal) and Assistant Chief Executive (HR & Business Support).
- 2.4 Severance payments are made to staff whose employment is terminated through such reasons as the ending of fixed term contracts and redundancies.
- 2.5 To end employment a HR process is always followed and in most instances the member of staff only receives what they are contractually entitled to (statutory and contractual severance payment). Where they are to receive only what they are entitled to then the Head of Paid Service is able to approve these payments, confirming that the correct process has been followed with advice from HR and Legal Services.
- 2.6 Where the member of staff is to receive anything in addition to what they are contractually entitled to then the scheme of delegation is required for approval?.
- 2.7 Whilst the pay policy was amended to include reference to the new special severance payments (SSP) Regulations the amended policy did not remove the reference to the previous (revoked) government regulations which these new regulations replaced, and as such we felt it was prudent to update the relevant paragraphs for clarification.

3.0 Pay Policy Senior Managers

3.1 The updated paragraphs are shown below.

3.9 New government requirements have been introduced for Special Severance Payments. These are sums paid additional to any statutory or contractual entitlements and may be paid in situations where an employee resigns, is dismissed, or agrees a termination of employment. Additional checks and processes have been implemented in accordance with new government regulations for the rare circumstances where a special severance payment is agreed to be the most effective mechanism for ending employment. Any SSP over £100k must go to full council for approval, payments between £20k – £100k are approved by Chief Executive and Leader and payments under £20k are approved by Assistant Chief Executive (Legal) and Assistant Chief Executive (HR & Business Support) in line with the scheme of delegation.

5.0 Remuneration Committee - The Chief Officers Appointments and Disciplinary Committee is responsible for determining and amending as necessary the terms and conditions of Chief Officers. Remuneration, terms, and conditions will comply with the Pay Policy Statement and any proposed amendments will be submitted to Full Council for approval.

3.2 As described earlier there is no decision making for contractual and statutory payments being made following a HR process being followed. For example staff who are made redundant are entitled to a statutory redundancy payment and if they are a member of the LGPS and aged 55 or over they are entitled under LGPS regulations to access their pension. This early access comes at a cost to the council in the form of a pension strain.

4.0 FINANCIAL IMPLICATIONS

4.1 No direct financial implications because of the report.

5.0 LEGAL IMPLICATIONS

5.1 The Council has the following duties under the following sections of the Localism Act 2011:-

Section 38- The Council must prepare a Pay Policy Statement for each financial year which sets out its policies relating to the remuneration of its chief officers and its lowest paid employees and the relationship between the remuneration of its chief officers and its employees.

Section 39-The Council's Pay Policy Statement must be approved by resolution of the authority before it comes into force and prior to 31st March immediately preceding the financial year to which it relates.

Section 40- With regard to its functions under sections 38 and 39 [above] the Council must have regard to any guidance issued or approved by the Secretary of State.

Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England was published on 12 May 2022. The pay policy seeks to comply with this published guidance.

6.0 EQUALITIES IMPLICATIONS

6.1 No equality implications because of the report.

7.0 CLIMATE CHANGE IMPLICATIONS (MANDATORY)

7.1 No climate change implications because of the report.

8.0 REASONS FOR RECOMMENDATIONS

8.1 Updated pay policy due to clarification required around Special Severance Payments.

9.0 RECOMMENDATION(S)

- i) To approve the updated paragraphs provided at section 3.1, to progress to full council.

APPENDICES:

None

BACKGROUND DOCUMENTS:

[NYC Pay Policy Senior Managers 23-24 FINAL.pdf \(northyorks.gov.uk\)](#)

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.