

## REMUNERATION COMMITTEE - 14 December 2020

### REMUNERATION COMMITTEE

14 DECEMBER 2020

Present: Councillors: R Sleigh OBE (Chairman), K Meeson (Vice-Chairman), A Adeyemo, M Brain, S Caudwell, I Courts and T Richards OBE

Officers: Adrian Cattell – Head of Human Resources  
Joe Suffield – Democratic Services Officer

#### 1. APOLOGIES

Apologies were received from Mrs Hurt.

#### 2. DECLARATIONS OF INTEREST

Councillor Meeson declared an interest as Chairman of West Midlands Employers which had made representations about the severance cap.

#### 3. QUESTIONS AND DEPUTATIONS

There were no questions and deputations.

#### 4. MINUTES OF LAST MEETING

The minutes of the meeting held on 26<sup>th</sup> October 2020 were approved.

#### 5. PUBLIC SECTOR EXIT PAYMENTS

The Head of Human Resources explained that an update had been requested at a previous meeting on the Public Sector Exit Cap Payments, which came into force on 4<sup>th</sup> November 2020. The following points from the report were highlighted:

- The exit cap payment included the severance payments, pension strain cost and notice payments in excess of three months.
- The three aspects to the regulations were outlined in paragraph 3.3 of the report. It was noted that further guidance was required on the proposals for high earners who had to repay severance payments.
- There were some mandatory relaxations of the regulations and some discretionary relaxations. The discretionary relaxations which would have to be agreed by Full Council were on the basis that if they did not exercise the power they would cause undue hardship or significantly inhibit workforce reform. Further details would be sought on this and a policy approach to this would be part of the pay policy statement presented to Full Council in January 2021.
- The discretionary waivers would have to be submitted to the HM Treasury for approval. This was a significant process.
- A number of legal challenges had been made to these changes. The judicial review into these could take place as early as January 2021.

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- The future proposed changes were highlighted in paragraph 3.16. There was a potential problem of multiple exits, which would require the Council to monitor exits closely. Similarly, Solihull Community Housing was not included in the regulations but a future amendment was almost certain to include local authority owned or controlled companies.
- The Council's Payroll Team also administer NHS pensions and teacher's pensions. The changes implemented would not affect teacher's pensions. With NHS pensions, there were various considerations such as whether they had transferred through a directions order or a transfer order. Further guidance was awaited on this.

Members raised the following questions and comments:

- Councillor Meeson asked how many staff within the Council would be affected by the change. The Head of Human Resources explained that the Pension Fund suggested it could affect four in five people. It was noted that redundancy benefits could be deferred.
- Councillor Caudwell asked whether there would be an example of workforce reform (paragraph 3.7). The Head of Human Resources stated that there was no precedent for this, but imagined that it would need to be a fairly significant reform of the workforce, for example Council wide senior management.
- Members queried that the legislation would lead to the alteration of employees contracts, their terms and conditions, which had been retrospectively changed. The Head of Human Resources stated that there will be significant work about the implementation of this change once they have received more information, such as after the judicial review outcome. If there was an exit prior to this which would be impacted by the legislation, it was confirmed that an individual would receive the reduced pension or defer the receipt of their pension.
- Councillor Sleigh asked if the Trade Unions had been informed. The Head of Human Resources explained that the Trade Unions had been kept fully informed and were aware of this legislation.

Members of the Committee **RESOLVED** to note the contents of the report in advance of receiving an updated Pay Policy Statement for consideration at its meeting on 26<sup>th</sup> January 2021.

The meeting finished at 4.30 pm