

Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	16 March 2021	N/A

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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

The appendix to this report is exempt and not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

SUBJECT: Revocation of Exit Payment Regulations**1. Synopsis**

- 1.1 This report provides an update on the impact of the revocation of the Restriction of Public Sector Exit Payments Regulations 2020 on individuals affected since the Regulations came into force. The financial impact for the individuals is set out in the exempt appendix.

2. Recommendations

- 2.1 To note the revocation of the Restriction of Public Sector Exit Payments Regulations 2020
- 2.2 To note that any decisions relating to enacting the new provisions during the period since the Cap was introduced are no longer relevant and changes to the council's redundancy procedures to allow that flexibility are not required
- 2.3 To note the fact that the council is complying with the HMT Directions in ensuring that affected staff receive all sums that have not or would not have been paid as a result of the application of the 2020 Regulations

3. Background

- 3.1 On 25 January 2021, the Audit Committee received a report on *'The introduction of exit payments cap on redundancy/efficiency retirements'* setting out the impact of new Regulations on the Restriction of Public Sector Exit Payments. The Regulations had the effect of capping payments for exits such as redundancy at £95,000 and included pension strain costs.

Since the committee, the government has revoked the regulations as they had unintended consequences for affected staff.

The exempt appendix sets out the actions taken to comply with the provision in the revoking regulations *"to pay to former employees or the relevant pension fund all sums that were not paid as a result of the application of the 2020 Regulations"*.

4. Implications

4.1 Financial implications

This information is contained within the exempt appendix. The Council's s151 officer is satisfied that the costs can be contained within the Council's budget.

4.2 Legal Implications

The actions proposed in the exempt appendix are appropriate.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

None arising from the content of this report.

4.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

5. Reason for recommendations

- 5.1 To ensure that the most appropriate and reasonable outcome is achieved for the employees and the Council.

Appendices

Exempt Appendix 1 – Revocation of Exit Payment Regulations (In the matter of employees)

Final report clearance:

Signed by:



David Hodgkinson

Corporate Director of Resources

Date 8 March 2021

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