

General Purposes Committee



Thursday, 23 February 2023 at 6.30 p.m.

Committee Room - Tower Hamlets Town Hall, 160
Whitechapel Road, London E1 1BJ

Supplemental Agenda 2

This meeting is open to the public to attend.

Further Information

For further information including Membership of this body and public information see the main agenda.

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London Borough of Tower Hamlets




General Purposes Committee

Thursday, 23 February 2023

6.30 p.m.

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<p>General Purposes Committee</p> <p>23 February 2023</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Musrat Zaman, Director of Workforce, OD and Business Support Services</p>	<p>Classification: Unrestricted</p>
<p>Q3 report on Employee Relations casework and policy</p>	

Originating Officer(s)	Pat Chen, Head of HR
Wards affected	None

Reasons for urgency

This report was not published within the statutory publication timescale due to administrative issues. If this quarterly report is not presented at this meeting, there will be two reports at the next meeting.

1. EXECUTIVE SUMMARY

The attached report is to update GPC on the level and management of employee relations casework within the Council, highlighting progress made. This report is for the period October 2022 – December 2022.

2. RECOMMENDATIONS:

The General Purposes Committee is recommended to:

1. Note the report.

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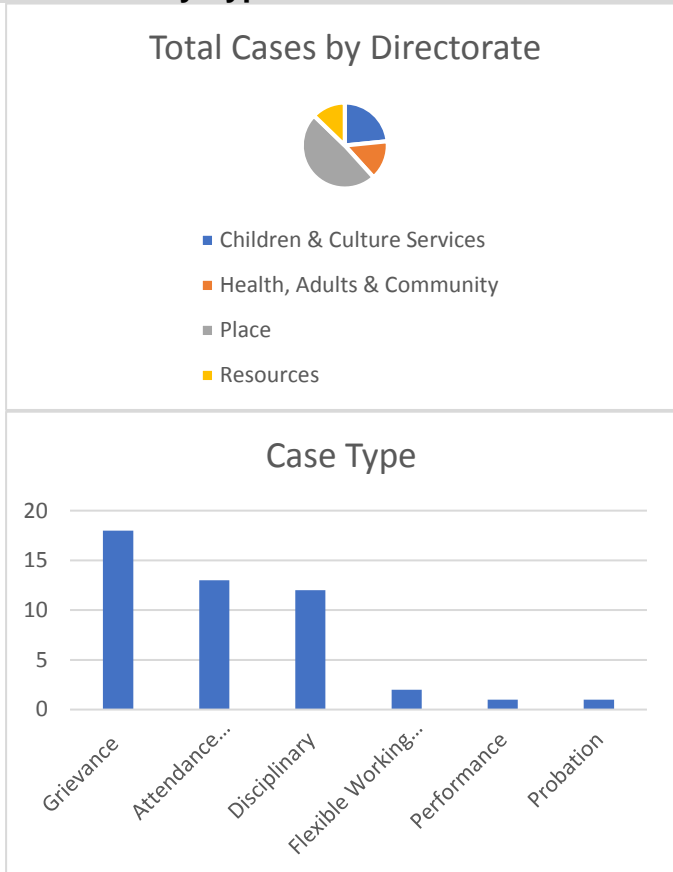
Employee Relations Quarterly Report on Casework and Policy Development

Q3 2022/23 (1 October 2022 to 31 December 2022)

Employee Relations Dashboard

Case Type by Directorate Oct - Dec	
Children & Culture Services	11
Attendance Management	4
Disciplinary	3
Flexible Working Appeal	1
Performance	1
Grievance	2
Health, Adults & Community	7
Attendance Management	3
Disciplinary	2
Grievance	1
Probation	1
Place	23
Attendance Management	4
Disciplinary	5
Grievance	14
Resources	6
Attendance Management	2
Disciplinary	2
Flexible working	1
Grievance	1
Grand Total	47

All Cases by Type & Directorate Oct – Dec




Summary of Key Quarter 3 Casework Data (1 October 2022 to 31 December 2022)

- There were 47 cases handled in total in this period (an increase of 4 from quarter 2). This includes cases that remained open in this period and those closed during the period.
- The breakdown by Directorate shows they were highest in Place, with 23 cases, 2 of which were collective grievances.
- Looking at all cases by type grievances are the highest (18), followed by attendance management (13) and disciplinaries (12). Of the 18 grievances, 12 concern the conduct/decisions of managers; 2 involve career opportunities and restructures, 2 involve terms and conditions, 2 concern the conduct of colleagues.
- At the end of this quarter by 31 December there were 28 open cases (4 more than the total in quarter 2).
- During this period there were 2 suspensions (there were 5 in quarter 2).
- During this period there were 22 long term cases (those open for 90 days or more).
- The average length of cases which were closed in this period is 141 calendar days (which is a slight increase on quarter 2 when the average was 139 days). We have amended our recording system for Q4 and will be able to provide a more detailed breakdown of time taken to conclude each type of casework against target timescales in our next report.
- During this quarter 19 cases were closed (19 were closed in quarter 2), 8 of these related to attendance management/sickness and 6 to grievances. Of the 6 closed grievances, 1 was upheld and 2 were partially upheld. Of the 2 disciplinaries, 1 led to a final written warning and the other did not progress to a formal hearing stage.
- In this quarter ER received 92 general enquiries through our in box. 34 of these were about attendance management matters. The majority of queries were from Place (40), followed by Resources (28).
- Equalities data is reported annually.

Policy Development

Consultations are to commence on a review of the Organisational Change Policy, the Redeployment Guide, and the accompanying Managers Guide. The Reference Policy and Maternity Policies have been consulted on and have not been subject to any significant changes.

<p>Non-Executive Report of the:</p> <p>General Purposes Committee</p> <p>Thursday 23 February 2023</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Janet Fasan, Director of Legal and Monitoring Officer and Musrat Zaman, Director of Workforce, OD and Business Support</p>	<p>Classification: Unrestricted</p>
<p>Process for agreeing a Special Severance Payment</p>	

Originating Officer(s)	Musrat Zaman, Director of Workforce, OD and Business Support
Wards affected	All Wards

Executive Summary

On Wednesday 1 February 2023 it was announced that the Chief Executive, Will Tuckley, would be leaving the Council by mutual agreement on 2 March 2023. A Special Severance Payment is being negotiated as part of the agreement.

Where a Chief Executive (Head of Paid Service) leaves a local authority there are a number of processes which must be followed. This report provides the General Purposes Committee with an overview of relevant parts of the process for information purposes.

The report also asks the Committee to agree to the establishment of an Independent Panel to review and approve the proposed Special Severance Payment (SSP) to avoid a conflict of interest, as set out in Statutory Guidance. On 12 May 2022, the Secretary of State issued new statutory guidance on the making and disclosure of Special Severance Payments (SSP) by local authorities. A paper was brought to GPC on 13 October 2022 where the guidance was adopted into the council's Pay Policy.

SSP's are payments made to employees, officeholders, workers, contractors, and others outside of the statutory, contractual or other requirements when leaving employment in public service. Such payments may only be made where there is a convincing case that they are in the interests of taxpayers. In taking decisions, elected members must make all proper enquiries and consider all available material that can help in coming to a decision.

Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest, the Guidance recommends that the SSP should be approved by a panel of

at least 2 Independent Persons. This needs to take place before the SSP is voted upon by Full Council.

Recommendations:

The General Purposes Committee is recommended to:

1. Review and note the process for agreeing the Special Severance Payment to the outgoing Chief Executive.
2. To agree to the establishment of a Panel of Independent Persons to review and approve the Special Severance Payment to the outgoing Chief Executive before the proposal is submitted to Council for a final decision as set out in Section 3 of the report.

1. REASONS FOR THE DECISIONS

- 1.1 The General Purposes Committee oversees Human Resources matters on behalf of Council relating to incoming and outgoing Chief Executives (Head of Paid Service).

2. ALTERNATIVE OPTIONS

- 2.1 The General Purposes Committee could decide not to establish the Independent Panel but that is not recommended as it would go against Statutory Guidance and could leave the Council open the legal challenge.

3. DETAILS OF THE REPORT

- 3.1 On Wednesday 1 February 2023 it was announced that the Chief Executive, Will Tuckley, would be leaving the Council by mutual agreement on 2 March 2023.
- 3.2 Where a Chief Executive (Head of Paid Service) leaves a local authority there are a number of processes which must be followed. This report provides the General Purposes Committee with an overview of relevant processes for information purposes.
- 3.3 The outline of the process is as follows:
 - An agreement is reached with the outgoing Chief Executive
 - Any SSP included in the agreement should then be approved by a Panel of Independent Persons (see below).
 - A final decision to agree the payment must be taken by Full Council where it relates to a Chief Executive.

Independent Panel

- 3.4 The requirement for a panel of Independent Persons to review SSP's agreed with an outgoing Chief Executive is a new requirement set out in Statutory

Guidance issued on 12 May 2022 (Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England). This requirement was introduced to avoid the potential for a conflict of interest in the making of the payment to the most senior officer in the authority who would usually be required to sign off such payments.

- 3.5 The guidance states that the panel must consist of at least two Independent Persons. It does not state who those persons should be but similar guidance on HR processes does specify that the Council should make use of its Independent Persons appointed to the Standards Advisory Committee and it is proposed that a similar arrangement is employed here.
- 3.6 The proposal is that a two-person Independent Panel be established including:
- Charlotte Webster – Independent Person for the Audit Committee
 - Rachael Tiffin – Independent Person for the Standards Advisory Committee
- 3.7 It is considered that the financial expertise of the Independent Person from the Audit Committee will be valuable to the Panel alongside the governance expertise of the Independent Person from the Standards Advisory Committee.
- 3.8 The Panel will be supported by:
- Musrat Zaman, Director of Workforce, OD and Business Support
 - A Legal Services Officer
 - Clerking will be provided by Democratic Services
- 3.9 The Panel will review a report presented by the above officers setting out the proposed Special Severance Payment along with information in relation to its Best Value and other considerations.
- 3.10 The Panel may question internal and external individuals as appropriate, following advice by officers, including relevant parties involved in the process to this point.
- 3.11 Following the meeting the Panel will report its considerations to the next meeting of Council as to whether or not it has agreed the proposed SSP.
- 3.12 Council must take this report into consideration before taking its final decision on whether to agree the payment.

4. EQUALITIES IMPLICATIONS

- 4.1 None specific to this report but the Independent Panel should consider relevant equalities matters in relation to the SSP (if any).

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.
- 5.2 The proposal to establish an Independent Panel is designed to help ensure the Council receives Best Value from any SSP agreed with the Chief Executive.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 Any payments associated with the departure of the Chief Executive will be met from the General Fund. There is a corporate budget for severance and pension strain and the payments will be reflected in the outturn for 2022/23.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (Regulation 6) allow a local authority to make a discretionary compensation payment where a person—
- a) ceases to hold his employment with an employing authority, and
- (b) in respect of that cessation may not count an additional period of membership under regulation 52 (power of employing authority to increase total membership of members) of the Pension Regulations(1).
- (2) Where this regulation applies, the employing authority may, not later than six months after the termination date, decide to pay compensation under this regulation and in that event shall, as soon as reasonably practicable after the decision, notify the person in whose favour it has been made, giving details of the amount of the compensation.
- (3) The amount of compensation must not exceed 104 weeks' pay
- 7.2 The Statutory Guidance referred to in paragraph 3.4 of this report should be followed by the Council. The guidance forms part of the best value regime for local authorities in England. The best value duty, as set out in section 3 of the Local Government Act 1999 provides that “a best value authority must make

arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The best value duty is relevant to the Council's duty to secure value for money in spending decisions. This will include decisions to make Special Severance Payments. The guidance is issued under section 26 of the 1999 Act which is to set out the government's view that Special Severance Payments do not usually represent value for money and should only be considered in exceptional circumstances. The guidance sets out the criteria that employers should consider in the exceptional circumstances in which it might be appropriate to make a Special Severance Payment. The report also confirms that the Guidance has been adopted into the Council's Pay Policy.

- 7.3 The Council has a responsibility to ensure that there is a clear, evidenced justification for making a Special Severance Payment and to ensure that all relevant internal policies and procedures have been followed and all alternative actions have been fully explored and documented. It is the responsibility of the individual employer to ensure their Special Severance Payment arrangements are fair, proportionate, lawful and provide value for money for the taxpayer. Local authorities must genuinely consider the payment to be in the public interest. In taking decisions, elected members must make all proper enquiries and consider all available material that can help in coming to a decision
- 7.4 The proposed settlement terms for the Chief Executive contain payments which fall under the definition of a Special Severance Payment. The Guidance states that the government expects that any Special Severance payments should be approved according to the following process
- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
 - payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
 - payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments.
- 7.5 Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest it is expected that the payment should be approved by a panel including at least two independent persons. The measures proposed in this report to establish an independent panel including use of the Independent Persons appointed to the Standards Advisory Committee and Audit Committee are reasonable. The review and reporting mechanisms suggested for the panel are also reasonable.
- 7.6 The Council's section 151 Officer and Monitoring Officer, as part of their duties, should also scrutinise and be able to justify any special severance payments that are made by the Authority

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 - Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England – May 2022.

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None

Officer contact details for documents:

N/A

Statutory guidance

Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England

Published 12 May 2022

Applies to England

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[List of bodies this guidance applies to](#)



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This publication is available at <https://www.gov.uk/government/publications/special-severance-payments/statutory-guidance-on-the-making-and-disclosure-of-special-severance-payments-by-local-authorities-in-england>

1. Introduction

1.1 Most public sector workers enjoy statutory and contractual redundancy or severance terms that are significantly better than the minimum statutory redundancy entitlement and are often higher than the value of redundancy or severance payments made in the private sector. The government is of the view that paying additional, discretionary sums on top of these entitlements (“special severance payments”) do not usually provide good value for money or offer fairness to the taxpayers who fund them and so, should only be considered in exceptional cases.

1.2 This guidance forms part of the best value regime for local authorities in England. The best value duty, as set out in [section 3 of the Local Government Act 1999](https://www.legislation.gov.uk/ukpga/1999/27/section/3) (<https://www.legislation.gov.uk/ukpga/1999/27/section/3>) (“the 1999 Act”), provides that “A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The best value duty is relevant to local authority duties to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services (including adult social care and children’s services) and secure value for money in spending decisions. This will include decisions to make Special Severance Payments.

1.3 Authorities subject to the best value duty (termed “best value authorities”) are defined in section 1 of the 1999 Act. [A list of these bodies can be found at the end of this guidance.](#)

1.4 This guidance also sets out the government’s position on the use of Special Severance Payments made by local authorities.

1.5 This guidance is issued under section 26 of the 1999 Act, the purpose of which is to:

- set out the government’s view that Special Severance Payments do not usually represent value for money and should only be considered in exceptional circumstances
- set out the criteria employers should consider in the exceptional circumstances in which it may be appropriate to make a Special Severance Payment
- give examples of the exceptional circumstances in which Special Severance Payments may be appropriate
- clarify the disclosure and reporting requirements for Special Severance Payments

1.6 Severance payments can be an important mechanism to allow employers to reform and react to new circumstances in the workplace, but employers have a responsibility to ensure that Special Severance Payments are only made when there is a clear, evidenced justification for doing so. They should also ensure that all

relevant internal policies and procedures have been followed and all alternative actions have been fully explored and documented.

1.7 In the exceptional circumstances where it is decided that a Special Severance Payment should be paid, it is the responsibility of individual employers to ensure their Special Severance Payments arrangements are fair, proportionate, lawful and provide value for money for the taxpayer.

2. What is a special severance payment?

2.1 In the context of this guidance, Special Severance Payments are payments made to employees, officeholders, workers, contractors, and others outside of statutory, contractual or other requirements when leaving employment in public service. Employers may sometimes consider making such a payment in situations where the individual concerned resigns, is dismissed, or agrees a termination of contract. Which types of payments are Special Severance Payments will vary according to an employee's particular circumstances, and therefore the examples below are illustrative only.

2.2 It is established case-law^{[\[footnote 1\]](#)} that such payments, where in accordance with legislation, may only be made where there is a convincing case that they are in the interests of taxpayers. Local authorities may not be generous at the expense of taxpayers and must genuinely consider payments to be in the public interest. In taking decisions elected members must make all proper enquiries and consider all available material that can help in coming to a decision.

2.3 The following types of payments are likely to constitute Special Severance Payments:

- a) any payments reached under a settlement agreement between the employer and employee to discontinue legal proceedings without admission of fault
- b) the value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date
- c) write-offs of any outstanding loans
- d) any honorarium payments
- e) any hardship payments
- f) any payments to employees for retraining related to their termination of employment

2.4 The following types of payments may constitute Special Severance Payments, depending on the terms of the individual's contract, relevant statutory provisions, any non-statutory applicable schemes and other relevant terms and conditions:

a) pay or compensation in lieu of notice where the amount of the payment is not greater than the salary due in the period of notice set out in the employee's contract

b) pension strain payments arising from employer discretions to enhance standard pension benefits (for example under Regulation 30(5) where the employer has waived the reduction under Regulation 30(8) or because of the award of additional pension under Regulation 31)

2.5 The following do not constitute Special Severance Payments:

a) statutory redundancy payments

b) contractual redundancy payments, whether applicable to voluntary or compulsory redundancy, and whether agreed by collective agreement or otherwise

c) severance payments made in accordance with that local authority's policy adopted pursuant to Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

d) a strain cost paid to the relevant LGPS administering authority under LGPS Regulation 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under Regulation 30(7), or under Regulation 30(6) where the employer has waived the reduction under Regulation 30(8)

e) payment for untaken annual leave

f) payments ordered by a court or tribunal or agreed as part of a judicial or non-judicial mediation

g) payments made as part of the ACAS Early Conciliation process

h) payments made to compensate for injury or death of the worker

i) payments made in consequence of the award of ill-health retirement benefits under Regulation 35 of the LGPS Regulations

3. Considerations for local authorities on potential Special Severance Payments

3.1 This chapter provides guidance on relevant considerations for English local authorities in relation to making Special Severance Payments.

3.2 Local authorities must comply with the duty of Best Value explained in the introduction. In considering whether it is appropriate to make a Special Severance Payment, the government expects local authorities to consider whether such a payment would be a proper use of public money. Local authorities should also monitor and review their policies on the award of special severance payments to ensure that

they are also consistent with their Public Sector Equality Duty under the Equality Act 2010.

Economy

3.3 Local authorities should be able to demonstrate their economic rationale behind proposed Special Severance Payments including consideration of:

- Whether there is any feasible possibility of exiting the individual at a lower cost. Only where there is no such possibility should a Special Severance Payment be considered
- How the exit payment will be perceived by the public and whether it is in line with the duty to manage taxpayers' money appropriately
- What alternative use could be made of that expenditure. All Special Severance Payments necessarily reduce the funds that would otherwise be available to deliver important public services
- The setting of any potential precedent (e.g. where a Special Severance Payment is made to certain employees and not others)
- Evidence for additionality i.e. that those offered Special Severance Payments would not have been willing, under any circumstances, to leave with their statutory and contractual benefits alone

Efficiency and effectiveness

3.4 In considering the impact of Special Severance Payments on efficiency and effectiveness, local authorities should:

- Seek legal advice on the prospects of successfully defending an Employment Tribunal claim (or claim to any other court or tribunal with jurisdiction), if an employee were to take a legal route to appeal any grounds of their employment being terminated. The chance of success and the costs likely to be incurred should be noted and weighed up against the costs of making a Special Severance Payment
- Ensure that these payments are not used to avoid management action, disciplinary processes, unwelcome publicity or avoidance of embarrassment
- Consider aligning with private sector practice, where payments are typically less generous. This is important given the added duty in the public sector to prudently manage taxpayers' money
- Manage conflicts of interest to ensure that individuals who are the subject of complaints play absolutely no role in deciding whether those complaints should be settled by making an award to the complainant from public funds

4. Exceptional circumstances in which it may be appropriate to consider making Special Severance Payments

4.1 There may be exceptional circumstances where the existing statutory or contractual entitlements, or both, are insufficient to facilitate an exit or to offer sufficient compensation for loss of employment or office. This can apply to office holders as well as staff. These circumstances, which we expect to be exceptional and provide value for money, may be taken into account by local authorities in deciding whether or not to make a Special Severance Payment.

4.2 Authorities may consider a Special Severance Payment in order to set aside what would otherwise be a reduction in entitlement caused by a break in continuity of service (e.g. where a member of staff has taken a break in service to accompany their spouse on military service overseas). Authorities may also consider that a Special Severance Payment is appropriate in circumstances where, to help recruitment and retention, it has resolved to recognise for severance payment calculation purposes past service with another non-Modification Order employer (such as service with the NHS prior to the transfer of public health functions to local government)^{[\[footnote 2\]](#)}.

4.3 Authorities may also consider a Special Severance Payment in order to settle disputes, where it can be properly demonstrated that other routes have been thoroughly explored and excluded. After receiving appropriate professional advice, it may then possibly be concluded that a special severance payment is the most suitable option and prudent use of public money.

4.4 Those approving a Special Severance Payment related to a settlement agreement should be provided with appropriate evidence that attempts were made to resolve disputes before they escalated to a legal claim. They should also bear in mind that even if the cost of defeating an apparently frivolous or vexatious claims will exceed the likely cost of that settlement to the employer, it may still be desirable to take the case to formal proceedings. This is because successfully defending such cases will discourage future frivolous or vexatious claims and demonstrate that the local authority does not reward such claims.

5. Accountability and disclosure

Accountability

5.1 The government expects that any Special Severance payments should be approved according to the following process:

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011

- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader’s approval and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority’s scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments

5.2 Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest it is expected that the payment should be approved by a panel including at least two independent persons. A system of legal duties also requires elected members to spend public money with regularity and propriety. Under section 151 of the Local Government Act 1972, “every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers (the section 151 officer or Chief Finance Officer) has responsibility for the administration of those affairs”. The section 151 officer has an important role in holding local authorities to account and has duties to alert elected members and the auditor in the case of unlawful expenditure.

5.3 This role is complemented and reinforced by authorities’ duty under section 5 of the Local Government and Housing Act 1989 to appoint a Monitoring Officer, who must report to the local authority when any proposal, decision or omission is likely to lead to contravention of any enactment, rule of law or statutory code.

5.4 As part of their duties, an authority’s s151 Officer, and where appropriate, the Monitoring Officer, should take a close interest in and be able to justify any special severance payments that are made by that authority and in particular any payments made that are not consistent with the content of this guidance.

Disclosure

5.5 Clear and transparent reporting on exit payments is essential to make available better data on the number and level of exit payments made in local government. The availability of data on exit payments in the public domain by local authorities enables local accountability as well as effective management of public money and public confidence. In 2015, the Local Government Transparency Code was issued to increase democratic accountability through open access to information^[footnote 3]. This sets a requirement for local authorities to publish, under the Account and Audit Regulations 2015:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more must also be identified by name

In addition to this requirement, local authorities must publish, for all employees whose salary exceeds £50,000, a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and benefits-in-kind.

5.6 DLUHC has initiated a new annual collection of data on exit payments (initially collecting data from 2014 – 2021) and the results will be published into official statistics and made available on the gov.uk website, subject to any necessary anonymisation or redaction to comply with data protection law. This data will help others to assess the number and level of exit payments made in local government.

5.7 Section 38 of the Localism Act 2011 requires the local authority to produce and publish a pay policy statement, which must include the authority's policies on termination payments. Further guidance on the requirements of the Localism Act 2011 has been issued [\[footnote 4\]](#).

5.8 In addition, Regulation 60 of the Local Government Pension Scheme Regulations 2013 requires local authorities to prepare a statement of its policy in relation to the exercise of the discretion to enhance pension benefits under Regulations 16(2)(e) and 16(4)(d) (funding of additional pension), Regulation 30(6) (flexible retirement), Regulation 30(8) (waiving of actuarial reduction); and Regulation 31 (award of additional pension).

5.9 Regulation 10 of the Accounts and Audit Regulations 2015 require authorities to publish an annual statement of accounts, governance statement and narrative statement. As well as following existing guidance [\[footnote 5\]](#) on reporting exit payments, local authorities should also disclose in their annual accounts all severance payments, pension fund strain costs and other special severance payments made in consequence of termination of employment or loss of office (but excluding payments on death or ill-health retirement). Apart from where otherwise required by law, reporting may be anonymised to comply with data protection requirements.

List of bodies this guidance applies to

- An English local authority, including:
 - a county council in England, a district council or a London borough council
 - the Council of the Isles of Scilly
 - the Common Council of the City of London in its capacity as a local authority
 - the Greater London Authority so far as it exercises its functions through the Mayor
- A National Park authority for a National Park in England
- The Broads Authority
- The Common Council of the City of London in its capacity as a police authority

- A fire and rescue authority constituted by a scheme under [section 2 of the Fire and Rescue Services Act 2004](https://www.legislation.gov.uk/ukpga/2004/21/section/2) (<https://www.legislation.gov.uk/ukpga/2004/21/section/2>) or a scheme to which section 4 of that Act applies, and a metropolitan county fire and rescue authority in England
 - The London Fire Commissioner
 - An authority established under [section 10 of the Local Government Act 1985 \(waste disposal authorities\)](https://www.legislation.gov.uk/ukpga/1985/51/section/10) (<https://www.legislation.gov.uk/ukpga/1985/51/section/10>)
 - An Integrated Transport Authority for an integrated transport area in England
 - An economic prosperity board established under [section 88 of the Local Democracy, Economic Development and Construction Act 2009](https://www.legislation.gov.uk/ukpga/2009/20/section/88) (<https://www.legislation.gov.uk/ukpga/2009/20/section/88>)
 - A combined authority established under [section 103 of that Act](https://www.legislation.gov.uk/ukpga/2009/20/section/103) (<https://www.legislation.gov.uk/ukpga/2009/20/section/103>)
 - A sub-national transport body established under [section 102E of the Local Transport Act 2008](https://www.legislation.gov.uk/ukpga/2008/26/section/102E) (<https://www.legislation.gov.uk/ukpga/2008/26/section/102E>)
 - Transport for London
-

1. In Re Hurle-Hobbs's Decision (1944) 1 All E.R. 249.
2. Under the Employment Rights Act 1996 employees need two years service with their current or an "associated employer" to qualify for a redundancy payment. The purpose of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, as amended, is to provide a statutory list of 'associated employers' for the purposes of redundancy payments. The list set out in the Order includes all local authorities as well as various other, but not all, other local public service providers.
3. [Local government transparency code 2015](https://www.gov.uk/government/publications/local-government-transparency-code-2015) (<https://www.gov.uk/government/publications/local-government-transparency-code-2015>).
4. [Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011](https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance) (<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>).
5. CIPFA, Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

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