

## **AUDIT & GOVERNANCE COMMITTEE**

**29 September 2021**

Report of the Director of Governance

### **Report in the Public Interest: Exit Strategies: Guidance on the use of Settlement Agreements including Special Severance Payments**

#### **Summary**

Following the meeting on 8<sup>th</sup> September 2021, the observations on the draft Guidance have been taken into account and accordingly a revised document is now attached.

Should the Committee agree to the revisions, it is invited to make a recommendation to the Staffing Matters and Urgency Committee for this document to be approved.

#### **Recommendations**

The Audit & Governance Committee is invited to recommend the following:

1. That the Staffing Matters and Urgency Committee at their next meeting consider the Exit Strategies: Guidance on the use of Settlement Agreements including Special Severance Payments and approve its adoption and immediate implementation;
2. That the Head of HR liaise with the Executive and the Corporate Management Team to ensure consistent compliance with the Guidance.
3. That the Head of Internal Audit will provide an annual report to the Audit & Governance Committee detailing compliance with this Guidance and the Council's use of special severance payments.

## Reasons for the recommendations

To ensure compliance with the recommendations detailed by the Council's External Auditor in the Report in the Public Interest dated 19<sup>th</sup> April 2021.

## Options

The Audit & Governance Committee can chose not to accept the recommendations contained within this report however to do so would hinder the Council's ability to comply with the Action Plan prepared in response to the Report in the Public Interest.

## Background

On 4<sup>th</sup> May 2021, Council received a Report in the Public Interest dated 19<sup>th</sup> April 2021, and in doing so agreed an Action Plan to address the recommendations contained therein.

Of those, Recommendations One, Two and Five related to the Council's framework for the management of exit strategies and the use of special severance payments.

In response the Council has now, following consultation with the Trade Unions, Internal Audit and with taking into account external legal advice produced the draft Guidance which appears as Appendix One to this report. This Guidance also takes into account the recently published guidance from MHCLG relating to exit payments.

Audit & Governance Committee are asked to review the attached guidance and consider a recommendation to the Staffing Matters and Urgency Committee on 20<sup>th</sup> September 2021 for its approval and implementation.

The current Protocol for Settlement Agreements is appendix 3 to this report.

## Implications

**Financial** - none directly related to this report but decisions made in accordance with the Guidance will be the subject of financial consideration on a case by case basis.

**Human Resources (HR)** - none directly related to this report but decisions made in accordance with the Guidance will be the subject

of staffing and employment related considerations on a case by case basis.

**Equalities** - none directly related to this report but decisions made in accordance with the Guidance will be the subject of any equality considerations on a case by case basis.

**Legal** – the Council is required to take all steps to ensure compliance with the Action Plan approved in response to the Report in the Public Interest and compliance with the Action Plan is monitored by the Audit & Governance Committee. Specialist external employment law advice has been received in respect of the Guidance to ensure it complies with relevant legislation and the Statutory Guidance issued by the MHCLG.

**Crime and Disorder, Information Technology and Property** – none directly arising from this report

**Author & Chief Officer responsible for the report:** Janie Berry, Director of Governance

**Report Approved**  **Date** 20 September 2021

**Specialist Implications Officer(s):** Trudy Forster, Head of HR, Debbie Mitchell, Chief Finance Officer

**Wards Affected:** *List wards or tick box to indicate all* **All**

**For further information please contact the author of the report**

## **Background Papers:**

Report in the Public Interest dated 19<sup>th</sup> April 2021, and received by Full Council on 4<sup>th</sup> May 2021, together with the Action Plan approved by Full Council on 4<sup>th</sup> May 2021.

8<sup>th</sup> September 2021 Audit & Governance Agenda

## **Appendices**

Appendix One - Exit Strategies: Guidance on the use of Settlement Agreements including Special Severance Payments (includes tracked changes).

Appendix Two - Exit Strategies: Guidance on the use of Settlement Agreements including Special Severance Payments (clean report).

Appendix Three – Protocol for Settlement Agreements and Non-Disclosure Clause