



Ministry of Housing, Communities & Local Government

FAO: Chief Financial Officers of councils & combined authorities in England

CC: Local authority representatives of the Central & Local Government Information Partnership – Finance group

09 April 2021

Dear Sir/Madam

- i) Notification of a new requirement for exit payments data**
- ii) Extension to deadline of Revenue Outturn and Capital Outturn returns**

Summary

Ministers have confirmed a new requirement for data on exit payments. The draft specification is shown in the table below. All redundancy payments, pension fund strain costs and other special payments made in consequence of termination of employment or loss of office (but excluding payments on death or ill-health retirement) are to be included. This data will be put into the public domain.

This will require data to be provided for 2014-15 to 2020-21 by the end of May. It is expected that a similar data request will be required for subsequent years.

We invite comments on the clarity of the data requirements and the practicality of providing this. These will inform the New Burdens assessment. Comments should preferably be made via this [Online Form](#), and by Monday 26th April.

Purpose of collecting this data

This data is urgently needed to inform delivery of a key Government objective – to end excessively high exit payments in the public sector. You may be aware that legislation was made last year to control exits across the public sector - the Restriction of Public Sector Exit Payments Regulations 2020. Those regulations were revoked in February as it became clear that there was a risk that it may have unintended consequences which it would be out of line with the Government's original policy intent.

To deliver Government's renewed commitment to meet this policy objective fairly and effectively we need to have better data on the number and level of exit payments made in local government. The commitment was first made in the Government's 2015 election manifesto and Ministers believe that progress on this is well overdue.

Many authorities will already be collecting and publishing this data under the requirements of the Transparency Code. However, the data published under the Code is not always comparable and not easily available for all authorities. The content and purpose of the Code is being reviewed later in the year and the requirements in relation to exit payments will be considered as part of that.

Next Steps

We expect to write to you again early in May, once the specification for the return has been finalised. At that stage, we plan to provide instructions of how to register yourself or the relevant member of your staff to make the return.

Extended deadlines for Revenue Outturn (RO) and Capital (final) Outturn (COR) returns

Following the decision to extend the deadlines for the production of statutory accounts again for 2020-21 and 2021-22, we have consulted key users of the RO and COR data about extending these deadlines. Whereas the deadlines for the RO and COR 2020-21 returns were set in the annual timetable to 26th June, the deadlines will now be 27th August.

Yours sincerely



Abigail Shaw

Head of local government
finance data collections



Teresa Clay

Head of Pensions,
Local Government Finance and Stewardship

Annex – Proposed specification of new data requirement

	Total number of exit packages awarded	Total value of all exit packages	Total value of strain cost** paid to pension scheme (under LGPS Reg 68)	Total value of redundancy payments due under redundancy policy (as required under 2006 Regulations)***	Total value of ex gratia and other payments****							Highest ex gratia payment (£)	Mean cost of ex gratia payments (£)
					Number of payments with value:								
2014-15	Senior employees*				< £19,999	£20,000- £39,999	£40,000- £59,999	£60,000- £79,999	£80,000- £99,999	£100,000- £149,000	£150,000+		
2014-15	Other staff												
2015-16	Senior employees*												
2015-16	Other staff												
2016-17	Senior employees*												
2016-17	Other staff												
2017-18	Senior employees*												
2017-18	Other staff												
2018-19	Senior employees*												
2018-19	Other staff												
2019-20	Senior employees*												
2019-20	Other staff												
2020-21	Senior employees*												
2020-21	Other staff												

* Senior employees as defined in paragraphs 2 and 3 of Schedule 1 to the Accounts and Audit (England) Regulations 2011. <https://www.legislation.gov.uk/uksi/2015/234/made>

** A strain cost paid to pension scheme (under LGPS Reg 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under Regulation 30(7) or under Regulation 30(5) where the employer has waived the reduction under Regulation 30(8). <https://www.lgpsregs.org/schemeregulations/lgpsregs2013/timeline.php#r30>

*** Payments made using the powers granted by Regulations 5 or 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 to increase the statutory benefits payable on redundancy. <https://www.legislation.gov.uk/uksi/2006/2914/contents/made>

**** Please include any payments not included above which are paid in consequence of termination of employment or loss of office: such as ex gratia payments, any payment pursuant to an award of compensation under the ACAS arbitration scheme or a settlement or conciliation agreement. Please do not include payments made on death in service or in respect of incapacity as a result of accident, injury or illness.