

AT A MEETING of the Employment in Hampshire County Council Committee of
HAMPSHIRE COUNTY COUNCIL held at the castle, Winchester on
Wednesday, 12th July, 2017

Chairman:

* Councillor Stephen Reid

* Councillor Keith Evans	Councillor Keith House
* Councillor Christopher Carter	* Councillor Roy Perry
Councillor Adrian Collett	* Councillor Stephen Philpott
* Councillor Judith Grajewski	* Councillor Jackie Porter

*Present

1. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Adrian Collett and Keith House.

2. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

4. **DEPUTATIONS**

There were no deputations on this occasion.

5. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed new Members of the Committee and extended thanks to the former Members of the Committee for the work they had done. For the benefit of new Members, the Chairman summarised the remit of the Committee.

6. PAY, POLICY AND LEGISLATION UPDATE

The Committee considered the report of the Director of Corporate Resources (Item 6 in the Minute Book) outlining the likely impact on the EHCC pay framework arising from the projected increase to the National Living Wage (NLW) and updates on the latest position with Government policy changes.

EHCC Pay Framework

For the benefit of new Members of the Committee, the Head of HR and Workforce Development provided some background to the latest position and drew attention to the summary set out in section 2 of the report together with the impact on the EHCC framework, as set out in section 3 of the report. Attention was also drawn to key tables at paragraph 5.2 illustrating the pressures over time on the pay framework resulting from the NLW (projected to reach £9 per hour by 2020), and at paragraph 5.4 illustrating an option to manage the impact of the NLW whilst maintaining a pay step in each of the grades in the pay framework.

During the course of discussion, Members acknowledged the complexity of the pay structures, the uncertainty of the national landscape and the additional financial burdens arising, for which there was unlikely to be any central government support. Whilst some concern was raised regarding the loss of steps within grades and the resulting impact, it was recognised there was not a lot of room for manoeuvre. It would be important going forward for the Council to be involved in negotiations at the national level, albeit it was recognised that any proposal to move away from the national pay framework would also have implications for the Council's financial position.

Apprenticeship Pay

Members noted that a project team had been established to ensure that the County Council and schools can take full advantage of the Apprenticeship Levy that was introduced in April 2017. One element of that project is to review the existing pay structure for apprentices. It was further noted that work was progressing with departments and schools and an update would be brought to the next meeting of the Committee.

Mandatory Gender Pay Gap Reporting

Members noted that a requirement exists for employers in the public sector with more than 250 employees to report annually on the gender pay gap. The first report is to be published by 31 March 2018.

Work to analyse the snapshot of data as at 31 March this year was progressing well. Members noted the reporting timeline set out in paragraph 13.2 of the report, which had been set to take account of SAP updates and to facilitate reporting to the EHCC Committee at their March meeting.

Update on employment legislation

This update covered the £95K exit payment cap on the total value of an exit payment made to an individual and public sector exit payments recovery for those earning £80,000 or more who return to the public sector within 12 months.

Members noted that neither of the above are yet in force and a definitive timescale for implementation of the legislation is still awaited, albeit that work is in hand for an anticipated implementation date of 1 October 2017.

It was further noted that there was no progress to report regarding the outcome of three government consultations: simplification of tax on termination payments, a fair deal for public sector pensions, and teachers' pensions.

RESOLVED:

The EHCC Committee:

EHCC Pay Framework:

- a) Agreed a presumption of 1% for A-G as an outcome to the pay review, except where this is superseded by the requirements to achieve the NLW, and progress to prepare to implement, including the potential to review the number of steps within grades.
- b) Agreed the presumption of 1% for H and above as a continuation and progress to implement.
- c) Noted that the above are all contained within the financial envelope available within the budget.
- d) Noted the work underway at a national level and the potential impact that this may have on the EHCC Pay Framework, the outcome of which is currently uncertain.
- e) Agreed that the Council has the authority to make representation in order to influence national negotiations in line with the assumptions made in the MTFs (as set out in (a) and (b) above) and to note the timeline and implications associated should the national outcome mean that the Council would be required to consider moving to local pay bargaining (detailed in section 11 and not the preferred option).
- f) Agreed to receive regular updates.

Apprentices:

- g) Noted the work that is happening to review the current pay strategy for apprentices.

Mandatory Gender Pay Gap Reporting:

- h) Noted the timelines for publication of data.

Legislation:

- i) Noted the delayed implementation of legislation.

Chairman,