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NOTICE OF MEETING

Meeting	Employment in Hampshire County Council Committee
Date and Time	Friday, 18th March, 2022 at 10.00 am
Place	Mitchell Room - HCC
Enquiries to	members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website and available for repeat viewing, it may also be recorded and filmed by the press and public. Filming or recording is only permitted in the meeting room whilst the meeting is taking place so must stop when the meeting is either adjourned or closed. Filming is not permitted elsewhere in the building at any time. Please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence received.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Personal Interest in a matter being considered at the meeting should consider, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. MINUTES OF PREVIOUS MEETING (Pages 3 - 8)

To confirm the minutes of the previous meeting held on 11 November 2021.

4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6. PAY, POLICY AND LEGISLATION UPDATE (Pages 9 - 16)

To consider a report of the Director of Human Resources, Organisational Development and Communications & Engagement, providing an update on the National Pay Award and an update on potential employment related legislative changes.

7. ENHANCED VOLUNTARY REDUNDANCY (EVR2) UPDATE (Pages 17 - 24)

To consider a report of the Director of Human Resources, Organisational Development and Communications & Engagement, seeking an extension of the current enhanced voluntary redundancy offer (EVR2) until 31 March 2025.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

Agenda Item 3

AT A MEETING of the Employment in Hampshire County Council Committee of
HAMPSHIRE COUNTY COUNCIL held at the castle, Winchester on Thursday,
11th November, 2021

Chairman:

* Councillor Stephen Reid

* Councillor Gary Hughes
* Councillor Adrian Collett
* Councillor Steve Forster
* Councillor Keith House
* Councillor Zoe Huggins
* Councillor Stephen Parker

a Councillor Stephen Philpott
* Councillor Arun Mummalaneni

*Present

Also present with the agreement of the Chairman: Martin James, Chairman of the
Independent Remuneration Panel

13. **APOLOGIES FOR ABSENCE**

Apologies were noted from Cllr Stephen Philpott. Councillor Arun Mummalaneni
attended in his place.

14. **DECLARATIONS OF INTEREST**

All Members who believe they have a Disclosable Pecuniary Interest in any
matter to be considered at the meeting must declare that interest and, having
regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of
Conduct, leave the meeting while the matter is discussed, save for exercising
any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore
all Members with a Personal Interest in a matter being considered at the meeting
should consider, having regard to Part 5, Paragraph 4 of the Code, whether such
interest should be declared, and having regard to Part 5, Paragraph 5 of the
Code, consider whether it is appropriate to leave the meeting while the matter is
discussed, save for exercising any right to speak in accordance with the Code.

It was noted that dispensation had been granted to enable Members of this
Committee to consider issues relating to Members Allowances.

Councillor House made a personal declaration when discussing the national pay
award under the Pay Policy & Legislation update item, that he was a member of
National Employers.

15. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed subject to the
addition of apologies from Councillor Stephen Parker.

16. **DEPUTATIONS**

No deputations were received at this meeting.

17. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman indicated that he would adjourn the meeting a few minutes before 11 o'clock to enable members to attend a brief remembrance ceremony nearby.

18. **SENIOR MANAGEMENT UPDATE**

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Chief Executive regarding organisational and senior management changes since the last update in July 2021. It was noted that a Member Appointment Panel had agreed the Corporate Services appointments, and a Member Appointment Panel was due to take place later that day regarding the Economy Transport & Environment Department Management Team changes.

Members requested confirmation of the names of the officers in the posts referred to in the report, and contact details of key officers in the Economy Transport & Environment Department for Members to follow up issues raised by residents. It was agreed to make this information available on the Members Portal.

RESOLVED:

The EHCC Committee note the adjustments that have been made to departmental arrangements as outlined in the body of the report and as summarised below:

- Completion of the changes in Corporate Services following appointment of the Chief Executive.
- Deletion of the post of Assistant Director Transport.
- Deletion of the post of Assistant Director Economic Development.
- Revision of the role of Deputy Director of ETE and Lead on Economy, Infrastructure and Spatial Planning, subject to a Member Appointment Panel.
- Expansion of the role of Head of Transformation ETE and redesignation to Assistant Director of Transformation and Business Services Group subject to a Member Appointment Panel.
- widening of the remit of the Assistant Director of Highways, Traffic & Engineering and the change of job title to Assistant Director of Highways, Engineering and Implementation.
- widening of the remit of the Assistant Director of Waste Planning & Environment.

19. **PAY, POLICY AND LEGISLATION UPDATE**

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Director of Human Resources, Organisational Development and

Communications & Engagement, providing an update on the National Pay Award and an update on potential employment related legislative changes.

Regarding the pay award, it was noted that the three unions had voted to reject the final pay offer and were consulting their members on strike action. The Chairman highlighted that if the County Council wanted to take action locally to help lower paid staff it would mean coming out of the national pay negotiations and that would have significant implications.

Members asked questions and commented on the issues covered in the report including the new duty to prevent sexual harassment, ill health in the workplace, a consultation on flexible working and carer's leave.

RESOLVED:

1. That EHCC note the current position of the national pay negotiations and agree the application of the same national pay award to EHCC Grades H and above (as applied to Grades A – G), on the presumption that it is no more than 1.75%. Consultation with recognised Trade Unions will be undertaken regarding the implementation of this decision. It is not expected that the final settlement will be higher than this but if it is higher a decision will be brought back to EHCC.
2. That EHCC note the final position on the Home Working Allowance following consultation.
3. That EHCC note the updates on government consultations and potential employment legislation changes

The Chairman adjourned the meeting at 10:50am to enable members and officers to take part in a remembrance service. The meeting re-started at 11:10am.

20. MANDATORY VACCINATIONS POLICY

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Director of Human Resources, Organisational Development and Communications & Engagement, regarding a new legislative requirement that workers working or deployed in a Care Quality Commission (CQC) registered care home are fully vaccinated against Covid-19.

It was reported that a new policy had been developed to reflect the new requirement, which took effect from the day of the meeting. Around 1500 staff were affected, of which five had been redeployed to other roles and twenty two remained who had not had the vaccination and therefore disciplinary action would be commenced to terminate their employment due to non-compliance with the policy.

RESOLVED:

That EHCC note the new statutory requirement and the Council's new Mandatory Vaccinations policy at Appendix A.

21. **CLOSE PERSONAL RELATIONSHIPS AT WORK POLICY**

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Director of Human Resources, Organisational Development and Communications & Engagement, seeking EHCC agreement to implement a new Close Personal Relationships at Work policy for the Council.

It was noted that a small number of instances of relationships involved in performance cases had prompted bringing in the policy, however it was common in large organisations to have a policy on this issue. A 'how to' guide would be developed to support managers with applying the policy.

RESOLVED:

1. That EHCC agree to implement a Close Personal Relationships at Work policy as attached at Appendix A of the paper.
2. That EHCC delegate, to the Director of Human Resources, Organisational Development and Communications and Engagement Services, the authority to make any final amendments to the Close Personal Relationships at Work policy prior to its implementation following the conclusion of consultation with Trade Union representatives and departmental management teams and any ongoing minor amendments that arise from the future application of this policy.

22. **HAMPSHIRE COUNTY COUNCIL PAY STATEMENT - FINANCIAL YEAR 2022/23**

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Chief Executive setting out the proposed Pay Statement for 2022/23. It was noted that the pay statement would be updated if the pay negotiations conclude before the statement goes to County Council. Following a question, the Committee heard that the County Council publishes the ratio between the highest paid and the lowest paid, but does not have a specific policy on what the ratio should be.

RESOLVED:

1. That the EHCC Committee recommends to the County Council approval of the Pay Statement as detailed in the report and at Appendix A, setting out the County Council's policies in respect of pay accountability for the financial year 2022/23 in accordance with the requirements of the Localism Act.
2. That the EHCC Committee delegates authority to the Chief Executive, in consultation with the Chairman of the EHCC Committee, to make any changes to the draft Pay Statement consequential upon any changes to legislative requirements or other statutory guidance or changes to remuneration of staff determined prior to consideration of the Pay Statement by full Council.

23. MEMBERS ALLOWANCES SCHEME

The Employment in Hampshire County Council (EHCC) Committee considered a report of the Chief Executive regarding the recommendations of the Independent Remuneration Panel (IRP) regarding amendment to the Members' Allowances Scheme 2021/22 and a new Members' Allowances Scheme for the years 2022/23, 2023/24, 2024/25 and 2025/26.

It was noted that the IRP was recommending new Special Responsibility Allowances (SRAs) for the role of 'Assistant to the Executive' and the Chairman of the River Hamble Harbour Board. It was recommended to retain the current requirement that an SRA for a minority political group leader only apply for political groups of four members or more. The Chairman of the IRP was in attendance for this item and the EHCC Chairman invited him to explain the rationale for the recommendations. It was noted that the level of SRA for the Chairman of the River Hamble Harbour Board was based on information provided on the workload and time commitment. Members were supportive of the level proposed.

RESOLVED:

1. The Employment in Hampshire County Council Committee thank the IRP for their work in considering this matter, and their recommendations as referred to in the report.
2. The Employment in Hampshire County Council Committee recommend to the County Council that approval be given to amendment of the Members' Allowances Scheme for 2021/22, if appropriate, and to a Members' Allowances Scheme for 2022/23, 2023/24, 2024/25 and 2025/26, which takes into account the recommendations of the Independent Remuneration Panel and the views of the EHCC Committee.

Chairman,

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HAMPSHIRE COUNTY COUNCIL

Committee:	Employment in Hampshire County Council
Date:	18 March 2022
Title:	Pay, Policy and Legislation Update
Report From:	Director of HR, Organisational Development and Communications & Engagement

Contact name: Nichola Andreassen

Tel: 0370 7795597

Email: nichola.andreassen@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to provide an update to EHCC on the National Pay Award, the Mandatory Vaccinations policy and potential employment related legislative changes.

Recommendation(s)

2. That EHCC note that the national pay award has been agreed. The EHCC pay award will now be implemented and backdated to 1 April 2021.
3. That EHCC note that regulations are in place to extend the requirement to be fully vaccinated against Covid-19 to CQC regulated activity on 1 April 2022. However, EHCC should note that the government have now announced, following a national consultation, that they will remove the requirement for Mandatory Vaccinations in totality with effect from 15 March and EHCC are asked to note that the Council will likewise revoke its own policy once government has revoked the legislation.
4. That EHCC note the updates on government consultations and potential employment legislation changes

Executive Summary

5. As reported in November 2021, the National Employers had made an improved one-year final pay offer of 2.75% for the lowest pay point on the national pay framework and 1.75% for all other pay points. Unison and GMB have voted to accept the final offer that was made by the Employers' side in August 2021. Unite has not voted to accept the final offer and they will be taking industrial action in local areas – which at the time of writing have not been specified. The

national formal collective agreement requires a majority of unions voting in favour, which has been achieved through Unison and GMB's acceptance.

6. At EHCC in November 2021, EHCC were asked to note the Council's new Mandatory Vaccinations policy. The policy implemented the statutory requirement for all workers working in CQC registered care homes to be fully vaccinated against Covid-19 by 11 November 2021, unless they were medically exempt. The government have, following further consultation, implemented regulations that extend this requirement to all CQC regulated activity from 1 April 2022. However, on 31 January 2022, the government announced that they would consult regarding a proposal to revoke the regulations and not extend the regulations as planned. Government have announced that the regulations will be revoked with effect from 15 March 2022.

Contextual information

National Pay Award

7. As reported to EHCC in November 2021, the Unions' rejected the initial 1.5% pay offer made by the National Employers, and a final offer of 2.75% for the lowest pay point on the national pay framework and 1.75% for all other pay points that was made in August. This offer was made notwithstanding the fact that Government indicated a pay freeze for the public sector. The National Employers confirmed to Unions on 19 October that the offer was "full and final" and that negotiations would not be re-opened.
8. Union members were asked to vote on the final pay offer. For industrial action to be lawful, 50% of the union's members must turn out and vote in the ballot. The outcome must then support industrial action, with the majority supporting industrial action.
9. Unison conducted an 'aggregated ballot', meaning that it balloted all its England and Wales membership. Only 14.5% of Unison members turned out to vote. While those members that did turnout supported industrial action (70.2% in favour) the level of turnout means Unison members cannot currently legally take part in industrial action. Unison have now accepted the final pay offer.
10. GMB conducted a 'consultative ballot' which closed on 13 December, and they will not be proceeding to a formal strike ballot. GMB have now accepted the final pay offer
11. Unite's ballot has closed and they have confirmed they will be taking local industrial action. Unite's results were collated on a disaggregated basis, which means that industrial action could be taken at each organisation (i.e., each Council or individual school) where more than 50% of the membership at each organisation turns out and where over 50% vote in favour of strike action. Unite have not accepted the final pay offer and have indicated that they intend to take industrial action in local areas (i.e., individual schools and or authorities) but have not yet specified where.

12. The national formal collective agreement requires a majority of unions voting in favour, which has been achieved through Unison and GMB's acceptance.
13. As reported to EHCC in November, the pay award of 1.75% exceeds the forecast assumption of 1% included in the medium-term financial strategy. The consequent c.£2.5m pressure will need to be covered by general inflation contingencies and reviewed as part of future budget setting.
14. The Employment in Hampshire County Council (EHCC) agreement, that governs the terms and conditions of most staff employed by the Council, requires the application of the outcomes of the national pay bargaining to be applied to Grades A-G.
15. In November 2021, EHCC agreed to applying the same percentage increase (as applied to Grades A-G) to Grades H and above, including Chief Officers. This recommendation is dependent on the pay award being no more than 1.75% for Grades D and above.
16. Officers have been prepared for a late announcement and are working to implement the pay awards for EHCC staff in March 2022, backdated to 1 April 2021. This means that staff will receive their pay award in the financial year to which it relates.

Mandatory Vaccinations Policy – government consultation on removing the requirement for mandatory vaccinations

17. The new Mandatory Vaccinations Policy was brought to EHCC in November 2021 for noting. This policy implemented the statutory requirement for all workers working or deployed in a Care Quality Commission (CQC) registered care home to be fully vaccinated against Covid-19, unless they were medically exempt.
18. The government announced at the end of 2021 that this requirement would be extended to all CQC regulated activity and the NHS. A further 435 staff in Adults Health and Care would be in scope of the extended regulations and the Council were on track to implement this extended requirement.
19. However, the government have announced following a consultation period that the regulations will be revoked with effect from 15 March 2022.
20. The Council has already paused activity regarding the extension of mandatory vaccination to all CQC regulated activities and will revoke the Council's mandatory vaccine policy at the same time that the Government revokes the legislation.

New Consultation – Disability Workforce Reporting

21. As part of its National Disability Strategy, Government has issued a consultation, seeking evidence of the practice and potential for disability workforce reporting. It is exploring the option of making disability workforce reporting compulsory employers with more than 250 employees. The consultation closes 25 March 2022.

Outstanding National Consultations and Government responses

22. As reported at EHCC in July, there are no further updates on these consultations, and we continue to monitor in order that we are ready to support any appropriate actions should they become necessary:

- Ethnicity pay gap reporting - consultation on introducing legislation to require statutory reporting of the ethnicity pay gap, in addition to the gender pay gap. Consultation closed on 11 January 2019.
- Measures to address one-sided flexibility - this consultation sought views on introducing new rights for workers to be given reasonable notice of their working hours and to be compensated where their shifts are cancelled or curtailed without reasonable notice. Consultation closed on 11 October 2019.
- Making Flexible Working the default - a review of the statutory right to request flexible working, details of which were provided to EHCC in November 2021. The Council has a Requesting Flexible Working policy that would need amending if the statutory right changed. In addition, the Council has an Open Workplace policy that sets out how managers and employees can reap the benefits of working flexibly in roles where this can be accommodated. It is not anticipated that the Open Workplace policy would need to change as a result of changes to the statutory right to request Flexible Working.

Consultation and Equalities

23. It is not envisaged that an Equalities Impact Assessment will be required for any of the other updates included in this paper.

Climate Change Impact Assessment

24. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation and Carbon Mitigation

25. The carbon mitigation tool and climate change adaptation tools were not applicable on this occasion because the decision relates to a programme that is strategic/administrative in nature.

Conclusions

26. The April 2021 pay award will be implemented and backdated to 1 April 2021.
27. EHCC to note that the Council will await the Governments decision in regard to Mandatory Vaccines and will revoke its mandatory vaccine policy should the Government legislate accordingly.
28. Monitoring consultations and announcements on legislative changes or new requirements will allow adjustments to policies and business processes to be implemented and therefore continued compliance.
29. Updates on other matters covered in this paper, notably Exit Payments and Special Severance Payments, and other national consultations will be provided as further details and clarity are provided.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

This proposal does not link to the Strategic Plan but potentially impacts the County Council's workforce strategy

Other Significant Links

Direct links to specific legislation or Government Directives

<u>Title</u>	<u>Date</u>
Pay, Policy and Legislation update	November 2021
Close Personal Relationships at Work policy	November 2021
Mandatory Vaccinations policy	November 2021

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

30. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

31. Equalities Impact Assessment:

It is not envisaged that an Equalities Impact Assessment will be required for any of the other updates included in this paper

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HAMPSHIRE COUNTY COUNCIL

Report

Committee	Employment in Hampshire County Council
Date:	18 March 2022
Title:	Enhanced Voluntary Redundancy (EVR2) Update
Report From:	Director of Human Resources, Organisational Development and Communications & Engagement

Contact name: Nichola Andreassen (Head of HR & OD (HCC and OPCC))

Tel: 0370 779 5597

Email: nichola.andreassen@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek an extension of the current enhanced voluntary redundancy offer (EVR2) until 31 March 2025.

Recommendation(s)

2. That EHCC agree the extension to the current EVR2 Scheme to 31 March 2025, to support the Council in achieving its Savings Plan 2023 targets as detailed in the Medium-Term Financial Strategy, and anticipated Savings Plan 2025 targets.
3. That EHCC note that if any changes in Exit Payment legislation are implemented by government, this may require amendments to the EVR2 scheme and this may affect the ability of the scheme to achieve its intended purpose. If the EVR2 scheme requires changes to ensure it remains legally compliant, it is recommended that EHCC delegate the ability to make these changes to the Director of Human Resources, Organisational Development and Communications & Engagement, in consultation with the Chairman of EHCC. If the resultant changes require significant change to the EVR2 scheme, then proposals would be brought back to EHCC.

Executive Summary

4. The current EVR2 scheme was initially agreed at EHCC on 11 November 2015. It is actively used by the Council to facilitate reductions in the workforce through voluntary means. This paper seeks an extension to this scheme.

Contextual Information

5. As agreed at EHCC on 11 November 2015, the current Enhanced Voluntary Redundancy (EVR2) Policy was introduced to facilitate the County Council's need to further reduce its workforce through voluntary means and contribute

towards achieving the significant financial savings targets that need to be met. The details of the scheme are provided in Appendix A. The scheme is subject to regular review and was extended by EHCC in October 2019 until March 2022.

6. There has been, and there will continue to be, a need to reduce and transform the workforce, the preference being that this continues through voluntary measures where possible and appropriate to do so. EVR2 provides the organisation with a mechanism to be agile, flexible, to move at pace and manage exits in a way that reduces, as far as possible, the unrest, uncertainty and negative impact that compulsory exits often bring about.
7. The decision on whether to utilise the EVR2 policy and approve any exits, is made through a robust business case process with appropriate governance agreement, the level of which is determined by the exit costs. The business case will have considered workforce reductions based on organisational needs, new operating model requirements including skill sets and new technology, public value and critically the commercial environment in which the Council is operating.
8. Since EVR2 was first agreed and made available, it is clear from the data in Table 1 below, that this has enabled the Council to facilitate a significant number of exits through voluntary means across age ranges and different lengths of service.

Age Range	Staff Accepted (Head Count)	EVR2			Voluntary on CR terms		
		Service (years)			Service (years)		
		<10	10 to 19	20+	<10	10 to 19	20+
20-29	21	20	0	0	1	0	0
30-39	53	32	20	0	0	1	0
40-49	80	37	30	1	0	1	11
50-59	125	32	16	2	1	31	43
60+	113	16	10	1	2	25	59
Total	392	137	76	4	4	58	113

% of leavers	35%	19%	1%	1%	15%	29%
	55%			45%		

Table 1: Number of exits through EVR 2 and Voluntary CR by length of service and age

9. Since the introduction of EVR2, 392 individuals have exited the organisation on EVR2 terms. As context, in the same period, 81 people exited the organisation having been made compulsorily redundant. There are a number of reasons why people exit on compulsory redundancy, for example, staff leaving at the end of their fixed term contracts may, under certain

circumstances be legally entitled to a redundancy payment, or where employees choose not to apply to leave on a voluntary basis (EVR2 or Voluntary on CR Terms) and are then unsuccessful in securing a position in the new structure following a competitive or redeployment process. Of the 81 people that left as a result of being made compulsorily redundant, 18 were due to the ending of a fixed term contract.

10. Not easily seen from the high-level numbers, is the way in which the organisation has used EVR2 as an enabler to re-shape various delivery models, e.g., through greater use of technology, or service change. In doing so, services have required changes in skill sets, knowledge, expertise, and ways of working. In addition to which, some parts of the business are growing in headcount to ensure appropriate capacity because of partnership working, the costs of which are offset by income generation e.g., expansion of the shared services arrangements.
11. Voluntary exits on either EVR2 or compulsory terms continues to be attractive to our workforce across age ranges and lengths of service.

Costs

12. When EHCC agreed to the proposal for EVR2 it was anticipated that the payback period (excluding pension strain for those aged 55+) would be in the region of 4 to 5 months, recognising that some pay back periods may be up to 18 months in some cases. The average pay back period since the introduction of EVR2 (November 2015 to date) is between 4 and 5 months, which is consistent with the forecasts.

EVR2 Ongoing and Future Use

13. There has been significant transformation year on year across the Council since 2015 when the current EVR2 scheme was first introduced. The transformational programmes have enabled the Council to save £420m, the Savings Plan 2023 requires the Council to save a further £80m, and we know there will be the potential for further savings required by 2025.
14. Transformation of our services continues and the need to reduce cost becomes ever more challenging. There will be a continued need to reduce headcount to achieve the 2023 and potentially subsequent 2025 Savings Plans.
15. Whilst any organisational change is worrying for individuals, the use of a voluntary mechanism is advantageous as it provides the opportunity for an employee to have some control over their future. Importantly, it also reduces the need for compulsory redundancies and the negative connotations this can often bring. Additional benefits to the Council are that this approach minimises the risk of destabilising critical functions and the consequential impact on the delivery of core services to our communities; and it enables the Council to maintain a positive reputation as an employer of choice which is critical in retaining and attracting talent.

16. There are existing plans as part of SP2023 to make further workforce reductions in the remainder of 2022 and 2023. In addition to this, it is likely that plans will need to be developed across all departments as part of future change programmes that will necessitate additional workforce reductions in subsequent years.
17. Looking ahead, and taking account of the workforce profile, continuing with the option for staff to leave on a voluntary redundancy basis through either the EVR2 or voluntary CR terms will enable the organisation to facilitate voluntary exits across a range of length of service. Removal of the EVR2 scheme would mean that voluntary exits are only attractive to those with longer service (as demonstrated in Table 1 above).
18. The government has implemented and then withdrawn legislation in relation to exit payments (as reported to EHCC in March 2021). It is anticipated that an announcement will be made imminently on further steps the government intend to take in this area. Depending on this announcement the EVR2 scheme may need to be amended.
19. It is recommended that EHCC delegate, to the Director of HR, OD and CE, in consultation with the Chairman of EHCC, the authority to make amendments to the EVR2 scheme if required, following any changes to legislation. If this delegated authority is agreed, and amendments to the scheme are made to ensure compliance with legislation, an update will be provided to a future EHCC.

Consultation and Equalities

20. The proposals in this paper do not alter the scheme and therefore the Equalities Impact Assessment has not been reviewed.

Climate Change Impact Assessment

21. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation and Carbon Mitigation

22. The carbon mitigation tool and climate change adaptation tools were not applicable on this occasion because the decision relates to a programme that is strategic/administrative in nature.

Conclusions

23. The EVR2 scheme was introduced in 2015 to enable the Council to facilitate exits, through a fair and transparent process, via voluntary means.

24. The evidence presented in this paper demonstrates that the implementation of the scheme has been successful and aligned to expectations set out in 2015.
25. To enable the Council to continue to facilitate exits via voluntary means at the earliest date and achieve early savings, it is recommended that we continue to be able to use EVR2 for workforce reductions in HCC departments (excluding schools) where appropriate to do so. The deadline for agreeing redundancy terminations under the EVR2 scheme will be extended to 31 March 2025. It is recognised that some exits may take place after this date, however they will be no later than 30 June 2025 unless there are exceptional circumstances which would need approval by the Chief Executive; Director of Corporate Operations and the Director of HR, OD and CE. This would then allow time for any potential SP2023 change programmes to run through to full delivery.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

This proposal does not link to the Strategic Plan but potentially impacts the County Council's workforce strategy

Other Significant Links

Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Enhanced Voluntary Redundancy (EVR2) Update	October 2019

Section 100 D – Local Government Act 1972 – background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The proposals in this paper do not alter the scheme and therefore the Equalities Impact Assessment has not been reviewed.

Appendix A

The key design principals of the scheme are:

- To provide the Council with a scheme that, with appropriate governance and approvals, enables members of our workforce to request an exit under voluntary terms.
- To enable the organisation to make decisions taking account of future capacity, service needs and skill requirements, applying sound business return on investment criteria.
- To enable the organisation to take an approach that combines an ethos of public value with an understanding of commerciality.
- To treat staff with dignity and respect, balanced with best use of public money.
- For the policy to be easily calculated, understood and managed without the need for significant resource and application.

The details of the EVR2 scheme are:

- A single lump sum based upon 20 weeks salary, regardless of age or length of service.
- Excludes staff with less than 2 years' service as they are not entitled to a redundancy payment if they have less than 2 years' service.
- Excludes staff on temporary contracts if they have less than 4 years' continuous service.
- Staff aged 55+ would continue to access their LGPS pension if leaving within the terms of redundancy [this is the case in all exits where there is a redundancy and is not an additional entitlement due to the EVR2 scheme].
- Staff aged 55+ in the Teachers Pensions Scheme cannot receive an unreduced pension and an enhanced redundancy payment under the TPS scheme rules, so staff in this situation are provided with options in this regard.
- The option to exit under HCC Compulsory Redundancy policy terms remains where, due to age and/or length of service, the severance lump sum under Compulsory Redundancy terms would be more than 20 weeks salary.