

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee/Panel:</b>	Employment in Hampshire County Council
<b>Date:</b>	14 March 2017
<b>Title:</b>	Pay and Policy Update
<b>Report From:</b>	Director of Corporate Resources

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#### **1. Executive Summary**

1.1 The purpose of this report is to provide an update on proposed Government policy changes.

#### **2. Update on government exit proposals**

##### **2.1 £95k exit payment cap**

2.2 Provisions in respect of the £95k exit payment cap on the total value of an exit payment made to an individual with redundancy payments and any pension strain charges are contained within the Enterprise Act 2016 following Royal Assent on 4 May 2016. Draft regulations have been produced, however there is still no definitive timescale for commencement. It is anticipated they will take effect in Spring 2017.

##### **2.3 Public sector exit payments recovery for those earning £80,000 or more who return to the public sector within 12 months**

2.4 Primary legislation is in force in the 2015 Small Business, Enterprise and Employment Act for Regulations to be made requiring, in certain circumstances the repayment of Public Sector Exit Payments. Draft regulations have been produced, however, there is still no definitive timescale for commencement. It is anticipated they will take effect in Spring 2017.

##### **2.5 Further Reforms to Public Sector Exit Payments**

2.6 Updates to legislation as a result of the consultation are still awaited.

### **3 Updates on Government Consultations**

#### **3.1 Mandatory Gender Pay Gap Reporting for Public Sector Employers**

3.2 The government response to the consultation was published on 9 December 2016. The final regulations were published on Friday 20 January 2017.

3.3 The key requirements are for employers with more than 250 employees to publish the following:

- The difference in mean and median pay between males and females
- The difference in mean and median bonus pay between males and females
- The proportions of male and female employees who were paid bonus pay and
- The proportions of male and female employees in each quartile of their pay distribution

The pay information must be based on data from a snapshot date of 31 March every year, beginning with 31 March 2017. The bonus information must be based on the preceding 12-month period, beginning with the 12 months leading up to 31 March 2017.

3.4 The systems and processes needed to collate data in order to meet the requirements are being developed and the planning of the communications with regards publication are underway.

#### **3.5 Simplification of the tax and National Insurance treatment of termination payments**

3.6 Consultation on the government's response to the 2015 consultation on termination payments closed in October 2016. At the time of writing, the outcome of the consultation and the Government's response is still awaited.

#### **3.7 Fair Deal for public sector worker pensions**

3.8 The outcome of the consultation and the Government's response is still awaited.

#### **3.9 Teachers' Pensions Consultation**

3.10 The outcome of the consultation is still awaited.

### **4 Pay award update**

4.1 The pay award agreed in 2016 was a two year pay deal. The 2016 national pay award was applied to staff on EHCC terms and conditions and Chief Officers in August 2016, backdated to 1 April 2016. The 2017 pay award will be applied in April 2017 which will encompass the increase to the National Living Wage.

## 4.2 Future developments

As reported previously, the future impact of the annual changes to the National Living Wage on the HCC pay framework are being analysed. This is in early development stages and further updates will be provided as the review continues.

## **5 Recommendations**

### 5.1 EHCC are asked to note:

- a) Legislative changes will be incorporated into HCC policies once agreed by government
- b) That the National Living Wage will be automatically uplifted in the Council's pay framework.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

These government proposals do not link to the Corporate Strategy but potentially impact the County Council's workforce strategy.

**Other Significant Links****Links to previous Member decisions:**

<u>Title</u>	<u>Reference</u>	<u>Date</u>
Update on proposed Government policy changes	6988	11 November 2015
Update on Government proposed policy changes	7325	9 March 2016
2016 National Pay Award and National Living Wage	7338	9 March 2016
Pay and Policy Update	7874	10 November 2016

**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.)

Document

Location

None.

## IMPACT ASSESSMENTS

### 1. Equality

1.1 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 under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

### 1.2 Equalities Impact Assessment:

It is too early to determine whether there is any equalities impact, as the government have not published the full details of these proposed policy changes.

### 2. Impact on Crime and Disorder:

2.1 Not applicable.

### 3. Climate Change:

(a) How does what is being proposed impact on our carbon footprint / energy consumption?

Not applicable.

(b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not applicable.