



NOTICE OF MEETING

Meeting	Employment in Hampshire County Council Committee
Date and Time	Wednesday, 11th July, 2018 at 2.00 pm
Place	Chute Room, EII Court, The Castle, Winchester
Enquires to	members.services@hants.gov.uk

John Coughlan CBE
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. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

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 5 - 8)

To confirm the minutes of the previous meeting

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. MANDATORY GENDER PAY GAP REPORTING 2016/2017 (Pages 9 - 16)

To consider a report of the Director of Corporate Resources regarding gender pay gap reporting 2016/17

7. WORKFORCE REPORT (Pages 17 - 46)

To consider a report of the Director of Corporate Resources regarding workforce data

8. PAY AND POLICY UPDATE (Pages 47 - 52)

To consider a report of the Director of Corporate Resources providing an update on the national pay award and the impact in 2018 and 2019 on EHCC's pay framework

9. REDUNDANCY POLICY (Pages 53 - 58)

To consider a report of the Director of Corporate Resources regarding the Council's redundancy policy

10. BREXIT - WORKFORCE IMPLICATIONS AND CONSIDERATIONS
(Pages 59 - 68)

To consider a report of the Director of Corporate Resources regarding the possible impact of Brexit on the County Council's workforce.

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
Wednesday, 28th March, 2018

Chairman:

* Councillor Stephen Reid

* Councillor Keith Evans

Councillor Roy Perry

* Councillor Christopher Carter

* Councillor Stephen Philpott

Councillor Adrian Collett

* Councillor Judith Grajewski

* Councillor Keith House

*Present

17. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Collett and Perry

18. 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.

Councillor Grajewski declared a personal interest with regards item 6 on the agenda (The Apprenticeship Levy) by virtue of being a Governor at Eastleigh College, which is a provider of apprenticeships.

19. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were reviewed and agreed.

20. DEPUTATIONS

No requests to make a deputation to this meeting had been received.

21. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements on this occasion.

22. THE APPRENTICESHIP LEVY - UPDATE

The Committee received a report of the Director of Culture, Communities and Business Services regarding the implementation of the County Council's Apprenticeship Levy programme.

The context of this Government initiative was set out and it was confirmed that the money top-sliced from the County Council was held in a digital account that could be drawn down for apprenticeship training. Training schemes must be approved and accredited in order to use the levy. The number of apprenticeships had declined as a result of suitable training schemes not being in place and for this reason the period in which it could be used had been extended to 24 months. Appendix 1 of the report was highlighted as it demonstrated how the County Council was seeking to convert existing training into apprenticeships and some of the difficulties with this were noted. It was confirmed that up to 10 percent of the levy could be transferred for use by staff in the Council's supply chain and this concept was still being worked out nationally.

Members discussed the differences between the new standards and the previous framework and heard that there was now a greater level of prescription and also rigour, however not all of the standards had been defined, which was limiting progress. The anticipated split of the use of funding between new and existing staff was questioned and it was heard that this had not formally been defined, but the emphasis was likely to be on new staff as the off-job element would be easier to manage. The Committee acknowledged that with wholesale change a time lag was inevitable and noted that further analysis would be carried out on longer term targets.

The recommendations were considered and it was

RESOLVED:

That EHCC note the progress to date within the County Council to implement the levy and developing the Apprenticeship programme.

23. PAY AND LEGISLATION UPDATE

The Committee received a report of the Director of Corporate Resources regarding the national pay award and proposals for a new pay framework, outline arrangements for the temporary increase to the EHCC pay framework to meet the National Living Wage (NLW) increase from 1 April 2018, and an update on recent and pending legislative changes.

The context and impact of the new pay framework was introduced, in particular the need for grade consolidation to retain a 2 percent pressure and the £5 million pressure on the County Council budget. The Trade Union position both nationally and in Hampshire was set out and it was noted that around 20 percent of the County Council's workforce was unionised. Mechanisms to ensure that increases in lower pay grades would match increases in the national living wage were detailed.

An update was provided on mandatory gender pay gap reporting, which was being compiled in accordance with national requirements and due to be published the day after the Committee's meeting. Members heard that in principle there is no gender pay gap as everyone on a particular grade is paid equally. However the nature of some of the Council's service delivery work and in particular the retention of direct service delivery had shaped the outcomes that were due to be published. Members acknowledged that Local Authorities would be difficult to compare and agreed that the Committee should review the published County Council figures at a future meeting.

The recommendations in the report were considered and it was

RESOLVED:

That EHCC:

- note the application of the 2018 NJC national pay award to EHCC grades A to G, in accordance with the EHCC collective agreement;
- note the application of a temporary increase to step 1 of Grade A if the NJC pay award is not implemented in time for 1 April 2018;
- give authority to implement the 2018 NJC pay award to grades H to K, and those staff paid above grade K as long as it is in line with the current final offer of 2%. A pay award that is higher than this will need to be brought back to EHCC for agreement;
- note that it is not possible at this time to make a recommendation of the best option for managing the implications of the 2019 NJC pay award and the new NJC pay framework for the EHCC pay framework. The position will continue to be closely monitored with options being developed for agreement by EHCC;
- note the developments on the Gender Pay Gap report;
- note the developments in relation to Exit Payment amendments;
- further updates on the legislative changes will be provided only when further information is available.

Chairman,

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Mandatory Gender Pay Gap Reporting 2016/2017
Report From:	Director of Corporate Resources

Contact name: Jenny Lewis

Tel: 01962 667992

Email: jenny.lewis@hants.gov.uk

1. Conclusion

- 1.1. The County Council is committed to the principle of equal pay for all employees, irrespective of gender, and ensures that it meets the requirements of the Equal Pay Act 1970.
- 1.2. Our gender pay gap of 18.7% is not as a result of paying men more than women for the same or equivalent work.
- 1.3. The published data invites us to pose a number of questions about our workforce profile. Answering these questions is resource intensive. Having completed initial analysis of the information, it is clear that a significant proportion of the Council's gender pay gap (for both pay and to a lesser extent bonuses) is as a direct result of retaining those roles such as care assistants, catering and school escorts that other equivalent organisations have either outsourced or no longer provide, and the grade of those roles within our pay framework.
- 1.4. These roles are predominantly undertaken by women within the Authority, and attract salaries at the lower end of our pay scales.
- 1.5. Roles at a lower grade provide less scope for individuals to be eligible to receive a VP or SRP payment, and if paid are of a lower value than those payments made to employees at higher grades.

2. Summary

- 2.1. The purpose of this paper is to update EHCC on Hampshire County Councils Gender Pay Gap information for the snapshot year 31 March 2017 and includes additional analysis of the gender pay gap.
- 2.2. Members are invited to contribute thoughts and ideas to the Inclusion and Diversity Steering Group which next meets on 7 September 2018.

3. Contextual information

- 3.1. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017.
- 3.2. Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing the pay gap between their male and female employees.
- 3.3. From 2017, Hampshire County Council, as a public sector organisation, is required to publish the mandatory data set on its own public facing website and the Government website, by 30 March of each year.
- 3.4. The data published relates to the organisations figures as at 31 March of the previous year. This is known as the “snapshot date”. The private sector has until 4 April to publish its data as their “snapshot date” is 5 April of the previous year.
- 3.5. On 29 March HCC published its data on the gov.uk site as well as on [HCC’s public facing website](#).

4. Data published

- 4.1. HCC presented a gender pay gap of 18.7% on average earnings, and a gender pay gap of 27.9% on average bonus payments. A positive gender pay gap figure indicates that men earn more, whereas a negative would indicate that women earn more.
- 4.2. For the snapshot date of 31 March 2017, the County Council published the following mandatory figures:

Pay		
Mean gender pay gap in hourly pay (men currently earn more)		18.7%
Median gender pay gap in hourly pay (men currently earn more)		21.7%
Bonus		
Mean bonus gender pay gap (men currently earn more)		27.9%
Median bonus gender pay gap (men currently earn more)		27.0%
Proportion of males receiving a bonus payment		11.4%
Proportion of females receiving a bonus payment		9.5%
Pay quartiles		
Top quartile	Male	33.6%
	Female	66.4%
Upper middle quartile	Male	25.2%
	Female	74.8%
Lower middle quartile	Male	21.9%
	Female	78.1%
Lower quartile	Male	12.5%
	Female	87.5%

- 4.3. Our gender pay gap of 18.7% is not as a result of paying men more than women for the same or equivalent work; it is more about the distribution of the workforce between grades.
- 4.4. The Hay job evaluation scheme provides an objective and gender neutral framework to evaluate the jobs that are carried out within the County Council.

5. Gender pay gap: Further analysis

- 5.1. The SAP standard report is configured to provide the mandatory gender pay gap data for the whole organisation. The data set was not designed to be used to produce more detailed analysis at a department or role specific level nor is it intended to provide further reporting by wage type(s).
- 5.2. Further analysis of the gender pay gap can only be undertaken manually. The manual excel based analysis, is resource intensive and necessitates combining various historic data sets that were originally created for different purposes to the gender pay gap data set. As such, unlike the whole organisation report, the more detailed analysis will contain variances but is still accurate enough to provide greater clarity on our gender pay gap profile.

6. Figures excluding select roles

- 6.1. When we published the gender pay gap data it was noted in the supporting commentary that the Council's gender pay gap exists as a result of our workforce profile - the roles which men and women undertake within the Authority, and the salaries that these roles attract.
- 6.2. As a County Council we continue to deliver services that other equivalent organisations have either outsourced or no longer provide, in particular roles such as care assistants, catering and school escorts, which predominantly attract females.
- 6.3. The following table summarises the gender pay gap for Hampshire County Council if we were to exclude these roles from our reporting:

Pay gap	All roles	Excluding select roles
Mean gender pay gap in hourly pay (men currently earn more)	18.7%	11.1%
Median gender pay gap in hourly pay (men currently earn more)	21.7%	11.1%

- 6.4. This still leaves an 11.1% gap explained by the remaining A-D grade roles which are typically filled by female staff.

7. Performance bonus payments

- 7.1. HCC makes no provision for bonus payments to any employee.

- 7.2. However, there is a Special Recognition and Valuing Performance Payment Scheme in place that relates to exceptional performance.
- 7.3. For the purpose of mandatory gender pay gap reporting, Valuing Performance and Special Recognition Payments are classified as a bonus. Legislation dictates that the Council has a mandatory obligation to publish these figures. *“Bonuses are defined in regulation 4. They include anything that relates to profit sharing, productivity, performance, incentive and commission”* ([ACAS guidance, pg 24](#))
- 7.4. As part of the further analysis we have tested whether the mean and median bonus gender pay gap is as result of the roles men and women undertake within the Authority, the grade differential or whether someone is full time or part time.
- 7.5. Unlike the gender pay calculation which is based on the hourly rate of pay paid to each person the bonus calculation takes no account of contractual hours. The gender bonus is calculated using the actual total bonus amounts paid to each person. As VP is a % of contractual pay (either 1.5% or 3%) the amount paid will be higher or lower depending on whether someone is full or part time.
- 7.6. A high proportion of part time workers are female. 43% of female employees who received either a VP or SRP payment are part time versus only 7% of male employees who received a payment. If we factored this into the calculation by using annualised bonus payments the mean bonus gender pay gap would fall from 27.9% to 18.5%
- 7.7. The grade and role profile also determines the likelihood of an employee receiving either a VP or SRP payment. The following table includes the percentage of eligible employees who received a VP or SRP payment in the period 1 April 2016 to 31 March 2017 by grade. The data demonstrates that fewer individuals at grades A and B received a payment compared to grade C and above and that there is a bonus gender pay gap within each grade.

Grade	No. eligible for bonus		No. received a bonus		% received a bonus		Average bonus £'s		Gap
	F	M	F	M	F	M	F	M	
A	1,364	69	60	9	4.4%	13.0%	200	439	54.4%
B	1,286	259	67	8	5.2%	3.1%	186	340	45.2%
C	2,005	546	140	40	7.0%	7.3%	220	512	57.0%
D	1,453	425	172	42	11.8%	9.9%	327	384	14.9%
E	1,259	448	152	55	12.1%	12.3%	436	428	-1.8%
F	1,336	456	178	70	13.3%	15.4%	511	480	-6.4%

Grade	No. eligible for bonus		No. received a bonus		% received a bonus		Average bonus £'s		Gap
	F	M	F	M	F	M	F	M	
G	489	265	130	60	26.6%	22.6%	716	816	12.3%
H	222	159	63	39	28.4%	24.5%	690	696	0.8%
I	118	119	34	31	28.8%	26.1%	924	1,092	15.4%
J	44	36	15	13	34.1%	36.1%	973	1,121	13.1%
K	7	16	3	-	42.9%	0.0%	1,146	0	-100%
K+	11	15	-	2	0.0%	13.3%	0	2,083	100%
Total	9,594	2,813	1,014	369	10.6%	13.1%	£448	£621	27.8%

7.8. The pay gap (bonus) if we were to exclude the selected roles as per item 5 and grades A and B is as follows:

Bonus gap	All roles	Excluding select roles	Excluding grades A & B
Mean bonus gender pay gap	27.9%	22.1%	23.5%
Median bonus gender pay gap	27.0%	17.8%	17.8%

7.9. If we took account of the combined impact of grade profile and contractual hours by removing grades A & B and using annualised hours respectively the mean bonus gender pay gap would be 15%.

8. Future direction

- 8.1. The gender pay gap information contained in this report will be presented to the Council's Inclusion and Diversity Steering Group on 7 September 2018.
- 8.2. The Inclusion and Diversity group to consider what further actions could be taken by departments that alter our workforce profile over time, focusing on the particular roles such as care assistants, catering and school escorts, which predominantly attract females, as mentioned in point 6.2.
- 8.3. Departments to consider the gender pay gap when making future SRP decisions.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
The Equality Act 2010 (Gender Pay Gap Information) Regulations	2017

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	

IMPACT ASSESSMENTS:

1. Equality Duty

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:

1.3. No impact

2. Impact on Crime and Disorder:

2.1. Not applicable.

3. Climate Change:

3.1. Not applicable.

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Workforce Report
Report From:	Director of Corporate Resources

Contact name: Nichola Andreassen

Tel: 01962 847361

Email: nichola.andreassen@hants.gov.uk

1 Recommendation

1.1 Since the previous report, there are no new or unexpected trends in the workforce data and as such the organisation has the necessary workforce policies and measures in place to meet the requirements of the County Council. Areas continually under review are:

- Containing pay framework costs balanced with attraction and retention of talent.
- Focus on performance – VP and productivity as a subset of performance.
- People Development Priorities.
- Recruitment and retention hot spot strategies.
- Key priority areas for the wellbeing group.
- Key next steps for the new Inclusion and Diversity focus.
- Apprenticeships.

1.2 EHCC are asked to note the activities which are being currently undertaken in the context of the data and future workforce requirements.

2 Executive summary

2.1 This report provides EHCC with a high level overview of key workforce data (excluding schools) and trends which informs the Councils workforce strategies and priorities.

2.2 This paper provides data up to and including March 2018.

2.3 Also included in this paper are updates on progress against planned activity and new initiatives being developed to address workforce related challenges, and

more specifically in the areas of recruitment and retention.

2.4 The report provides data and context for the following areas:

- Workforce numbers (headcount and full time equivalents)
- Workforce pay costs including agency and casual workers
- Equality and Inclusion data
- External turnover
- Sickness
- Employee performance
- Recruitment and retention
- Employee relations

2.5 The data comparisons included in this report are either a 4 year trend from 2014 to 2018 to correspond with the Tt15 and Tt17 time period or are at a specific point of time (i.e. 31 March 2018) in order to present meaningful data.

2.6 The exception to this is the data for directly employed workforce numbers and costs (at Section 2) which go back to 2010 to capture the trend since the start of austerity.

3 Comparison of Workforce Numbers by Grade September 2010 to 2018

3.1 Across the Council, the majority of staff are employed on the EHCC grading structure. The Council also employs circa 4% of staff who are employed on non-EHCC terms and are paid under different salary and grading structures. For example, these include Music Teachers and Educational Psychologists (Teachers pay and conditions and Soulbury scales respectively).

3.2 The following tables show the workforce numbers for both headcount and Full Time Equivalents (FTE), excluding schools, by EHCC grade and grade equivalent for non-EHCC staff as at September 2010 and March 2018. Within the group of grade H and above are managers as well as professional specialists.

Grade	Headcount			FTE		
	2010	2018	% Change	2010	2018	% Change
Below A	90	4	-95.6%	40.3	3.1	-92.3%
A	758	1,385	82.7%	285.4	566.3	98.4%
B	2,095	1,498	-28.5%	954.5	802.4	-15.9%
C	2,586	2,606	0.8%	1,786.4	2,014.5	12.8%
D	2,915	1,939	-33.5%	2,346.5	1,527.8	-34.9%
E	2,114	1,810	-14.4%	1,847.3	1,597.8	-13.5%
F	2,249	1,809	-19.6%	1,968.8	1,601.3	-18.7%
G	1,052	792	-24.7%	937.7	742.5	-20.8%
H And Above	1,024	813	-20.6%	924.0	772.6	-16.4%
Total	14,883	12,656	-15.0%	11,090.9	9,628.3	-13.2%

Note: Non-EHCC roles are assigned to an equivalent grade based on annualised salary

3.4 In March 2018 the Council had 12,656 employees which corresponded to an FTE of 9,628.3. Reviewing FTE as well as headcount enables the Council to better understand the overall workforce and cost profile. The difference between headcount and FTE continues to be most pronounced at the lower grades. This is largely due to the nature of roles at these grades, particularly, laundry, catering and domestic assistants, library staff, school crossing patrols and schools escorts where the role requires part time working.

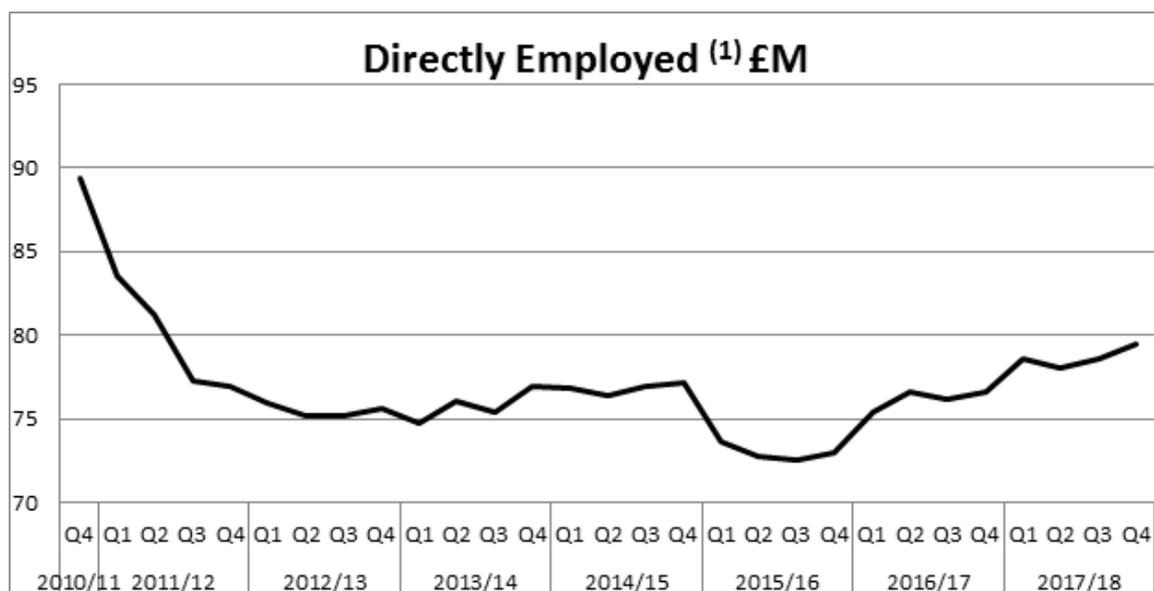
3.5 Key points to note between 2010 and 2018:

- Whilst there continues to be a reduction in the workforce between 2010 and 2018, there has been a slight increase in FTE during the last 6 month period, in part to ensure appropriate resource is in place to support our Transformation to 2019 (T19) Programme and particularly the PMO type posts.
- There has been a 16.4% (FTE) reduction at grades H and above. This is higher than the overall workforce reduction of 13.2% (FTE). The workforce reduction at grades <A to G has been 12.9% (FTE).
- As referenced in the November paper, there has been a more significant workforce reduction at grade D (34.9% reduction in FTE). This reduction continues to be attributed to the changing nature of work being undertaken across our services (e.g. automation), and the reshaping of services as well as services being reduced or stopped. As previously reported, this has partially been offset by an increase at grade C as roles are redesigned.
- Senior managers at grade H include 'managers' of functions, many of whom will have line management responsibility. Other 'managers' operate in professional or specialist roles and may not have line management responsibility e.g. educational psychologists and education inspectors and advisors.
- In addition, a significant proportion of our services, including senior managers, are either wholly or part funded as a result of SLAs, traded services, alternative funding streams and partnership arrangements that are in place across a number of our services. The number of these arrangements has increased since 2010. Examples include; partnership working with Hampshire Constabulary, Hampshire Fire and Rescue, the OPCC, Oxfordshire County Council and the Children's Service partnership with the Isle of Wight Council; those directly involved with ETE's capital programme where costs can be recharged to capital schemes; work undertaken through SLAs, such as National Park Authorities, District Councils, Schools Improvement and a growth in traded services such as catering.
- Our financial and HR systems do not record how roles are funded and so we are unable to quantify this level of funding for specific managerial posts without significant manual intervention which would require detailed review / input from departments and would to an extent be subjective.

4 Directly Employed Workforce Pay Costs

4.1 The table below shows the workforce costs for directly employed staff. The costs include both National Insurance (NI) and pension costs on top of basic salaries and overtime paid in the period specified. Analysis of the funding for salaries shows that circa 25% of salaries are met through income generation including schools and capital programmes; this increases to 36% if traded units are included. This data excludes costs for agency and casual workers.

4.2



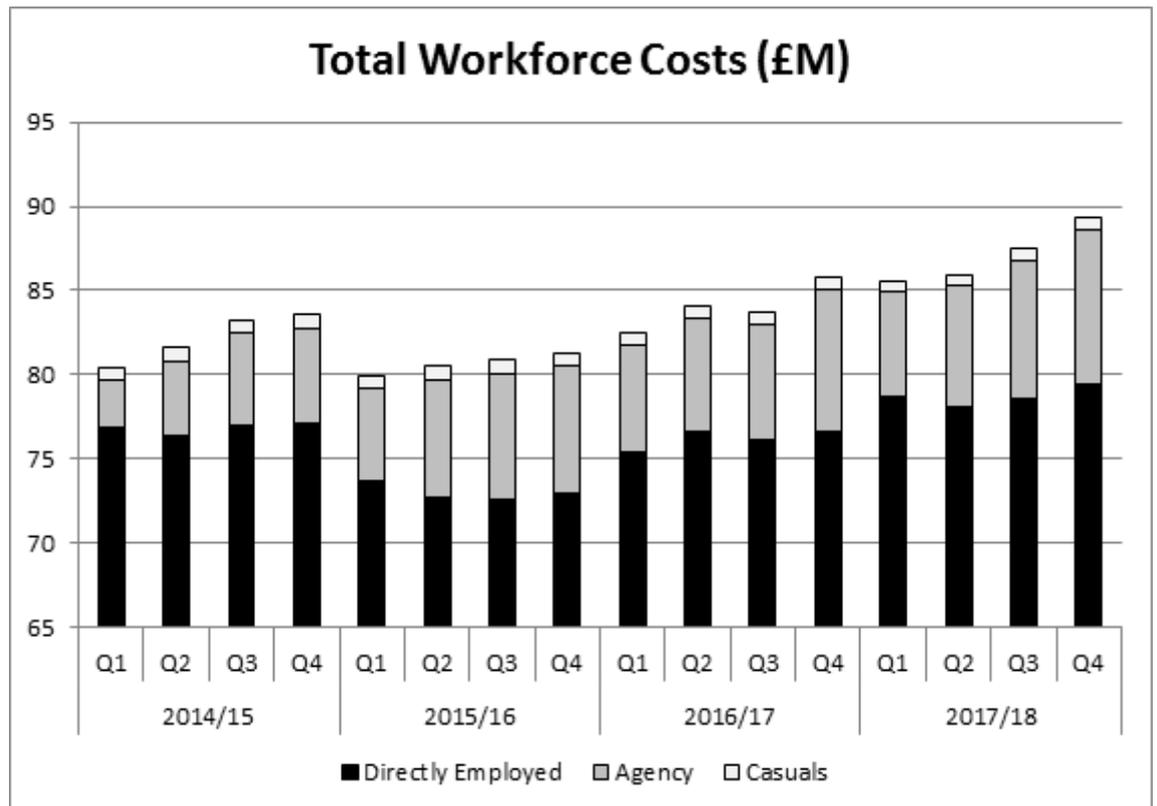
1. Directly employed costs include both National Insurance and pension costs (i.e. on-costs) on top of basic salaries paid in the period specified.

- 4.3 The increase in workforce costs during 2014/15 was principally due to the significant number of staff TUPE transferring into the organisation at that time. The majority of these staff transferred into Corporate Services as a result of the new shared service partnership arrangements. A summary of staff TUPE transferring into the organisation is included at Appendix 6.
- 4.4 The factors accounting for the majority of the increase in workforce costs in 2016/17 are the changes to NI, the national pay award and to a lesser extent the National Living Wage (NLW), all of which came into effect from 1 April 2016.
- 4.5 From April 2016 the Council has had to pay the standard rate of NI contributions instead of the previous contracted-out rate and are no longer in receipt of the 3.4% NI rebate.
- 4.6 Key factors driving the increase in workforce costs in 2017/18 are the national pay award (including the continued rise in the NLW) and a 1% increase in employer pension contributions. An outcome of the triannual Pension Fund revaluation undertaken in 2016 was that employer pension contributions would increase by 1% per annum for the next four years as part of the long term funding strategy – rising from 13.1% to 17.1% by 2020/21. In addition, as referenced in paragraph 2.5 there has been a slight increase in FTE during the

last 6 month period.

5 Workforce, Agency and Casual Costs

5.1 The graph below shows the total workforce costs, which incorporates costs for agency and casual workers as well as directly employed staff. (Note the left axis starts at £65m not £0.)



5.2 The proportionate spend in relation to each group of the workforce is important to note and particularly so in the context of planning future operating models.

5.3 The deployment of agency workers can bring advantages and is a key part of each department's ability to deliver services, whether it is the ability to meet 'peaks and troughs' in demand, or to quickly meet gaps in the workforce created by attrition. Building the ability to utilise agency workers in this way enables departments to remain agile and flexible and to minimise the need to work on an 'over establishment' basis and incur unnecessary ongoing costs.

5.4 There continue to be a number of challenges that need to be considered when planning to incorporate this type of worker as part of an ongoing operating model, such as:

- Difficulties attracting and fulfilling social care and IT roles.
- Market research shows shortfall in qualified labour, particularly in social care and qualified drivers, this may become more of a problem with any changes to immigration law following full Brexit uncoupling.

- Contingent labour force in some roles is highly migratory and therefore we are competing with higher rates being paid within the London area and private sector.
- Unequal application of IR35 regulation to private sector means we are struggling to attract individuals to placements particular in IT but also a risk in the nursing market.
- A reliance on agencies to ensure the staff they provide are appropriately trained and able to meet our standard of care requirements.

5.5 Overall, current workforce and recruitment market forecasts indicate that demand is likely to stay broadly similar in most departments, however, there is an expectation that the number of social worker agency workers will reduce in Children's Services as a result of changes in working practices and additional investment in this area. Growing and retaining our own staff is one approach whilst we also focus on improving other resourcing options such as bank and the quality and availability of agency workers. Further work is underway in this area as part of a longer term strategy.

6 Inclusion and Diversity (I&D)

6.1 Over the last 12 months the new Inclusion and Diversity Steering Group, chaired by the Chief Executive, has met several times, supported by an Operational Forum consisting of a broad range of representatives from all the departments. An initial Action Plan has been agreed and worked upon, pending a more strategic approach to determining what the County Council's priorities should be. These will be based on the results of an Inclusion and Diversity staff survey (due out in early May) and the completion of national inclusion standards, both of which will help identify further priorities for the County Council.

6.2 Employees can now record additional personal information via Employee Self Service to help us to monitor how well we are doing. This now includes details relating to sexual orientation and gender identity as well as disability, religious belief and ethnicity. The above activity will enable improved monitoring and reporting on workforce diversity and will help to identify areas where positive action could be considered.

6.3 The first annual mandatory pay gap report for data as at March 2017 was published in March 2018. The headlines are :

- Hourly rate - mean pay gap of 18.7% and median pay gap of 21.7% (men earn more).
- Bonus pay – mean pay gap of 27.9% and median pay gap of 27.0% (men earn more).

The County Council makes no provision for bonus payments to any employee. However, there is a Special Recognition and Valuing Performance Payment Scheme in place that relates to exceptional performance. For the purpose of Gender Pay Gap reporting, performance related payments are classified as a bonus.

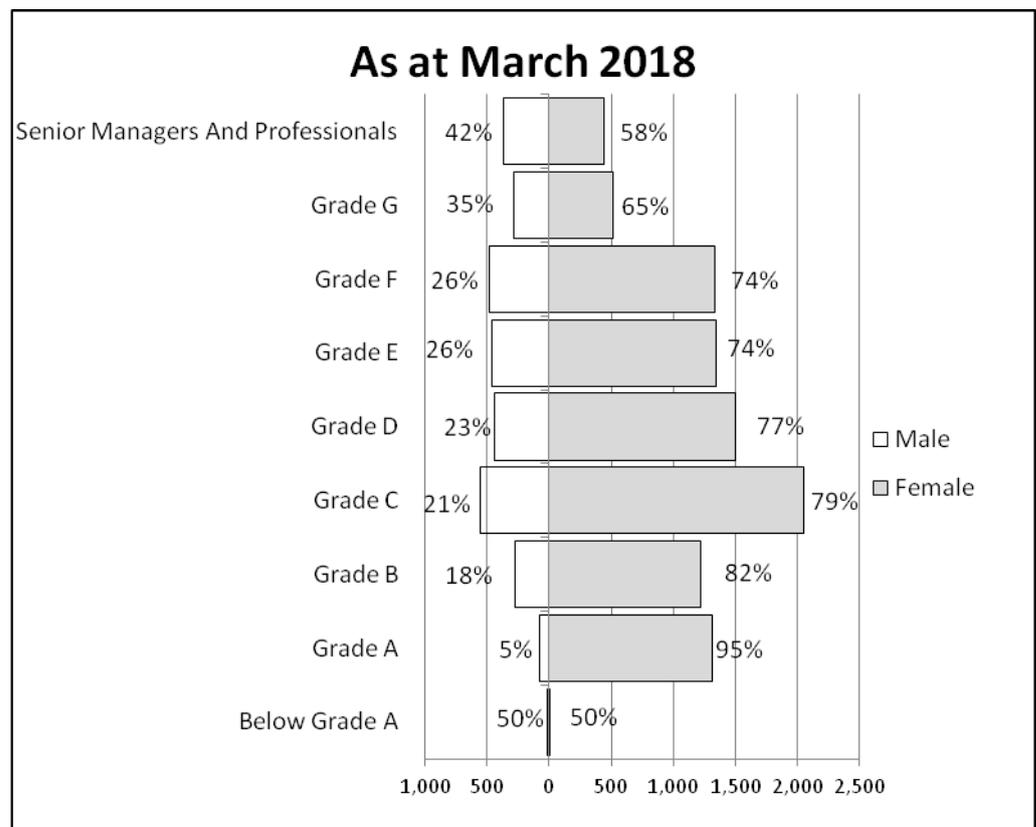
As a County Council we continue to deliver services that other equivalent

organisations have either outsourced in no longer provide, in particular roles such as care assistants, catering and school escorts, which predominantly attract females. If we were to exclude these roles from our reporting, the gender pay gap would present as follows:

- Hourly rate - mean pay gap of 11.1% and median pay gap of 11.1% (men earn more).

6.4 The tables in this section are shown by headcount as it is more appropriate to consider the number of people rather than the number of hours worked (i.e. FTE) when examining the I&D profile of the organisation.

6.5



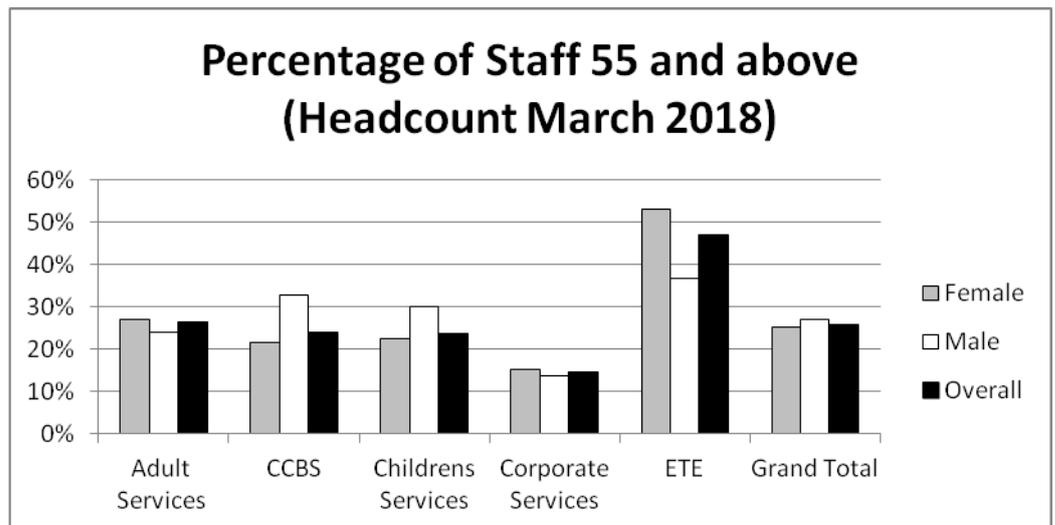
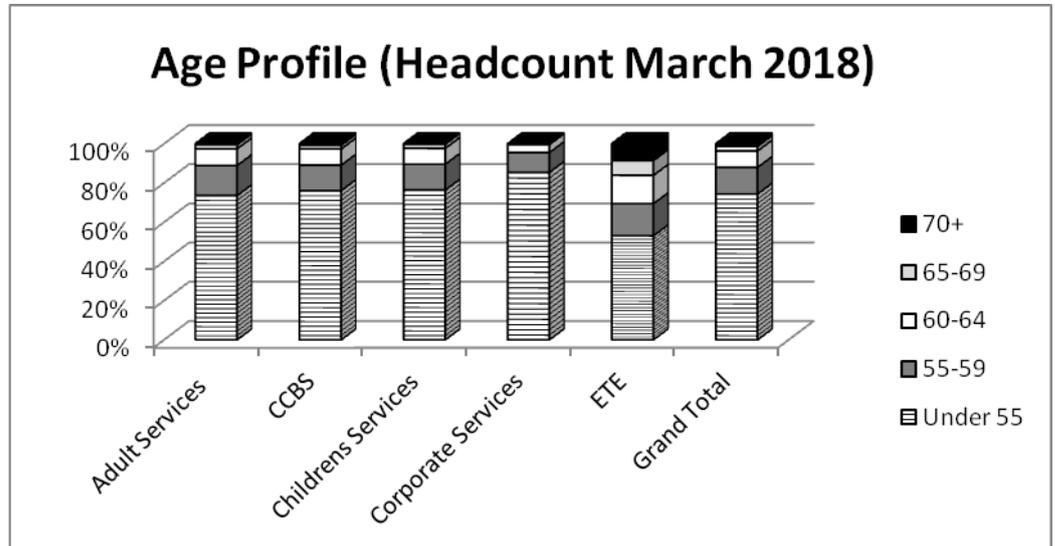
6.6 The majority of the workforce is female. This is most pronounced at the lower grades. We believe this is because of the perceived nature of the roles and their part time nature tending to attract female workers. Since 2014 the proportion of female senior managers has increased from 49% to 58%.

6.7 The following bar charts show the profile of staff aged 55 and over by department as at March 2018 and the gender distribution for those staff aged 55 and above. We continue to monitor staff in this age group for succession planning as this age group can choose to retire early with a reduced pension.

6.8 The proportion of the workforce aged over 55 in ETE is inflated by the number staff working in School Crossing Patrol and School Escort roles, whereas for Corporate Services, the younger age profile is reflective of the workforce within the Integrated Business Centre. The percentage of employees aged 55 and

over has fallen slightly from 26.2% of all employees to 25.6% between 2014 and 2018. There is no significant gender difference. The percentage of female employees aged 55 and over has remained broadly the same from 25.5% to 25.2% and the proportion of male employees aged 55 and over has fallen slightly from 28.3% to 27.1%. Further detail is provided at Appendix 1.

6.9



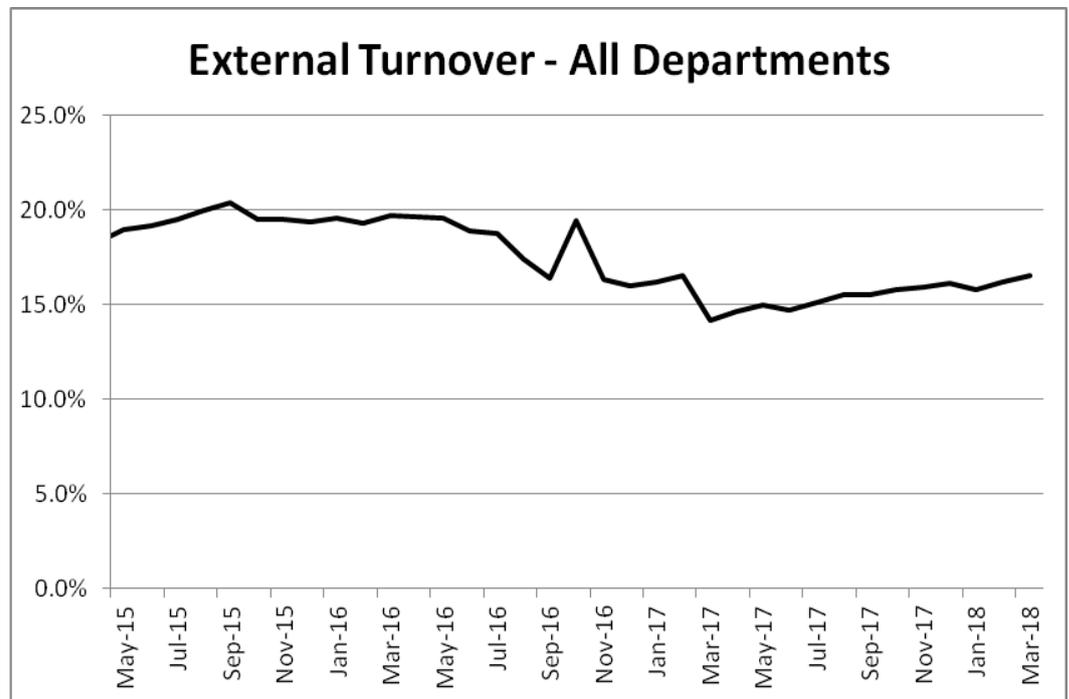
7 External Turnover

7.1 The graph below shows external turnover for the County Council from January 2014 to March 2018 and reflects the long term trend towards reduced headcount, with peaks in turnover rates being as a result of planned activity related to the Transformation to 2015, 2017 and 2019 Programmes, including voluntary redundancies.

7.2 The turnover rate for the County Council is 16.54%. This is below the UK average of 23%, however it is consistent with the public sector average of 15.1%. (Ref. XpertHR Labour turnover rates 2016, the 2017 data is not yet published).

7.3 Further detail by department for the 12 months leading up to March 2018 is included at Appendix 2, together with an organisational summary of the reasons for leaving. Further historic trend information is available on the intranet.

7.4



7.5 Of the total (16.54%) turnover for the last 12 months, 1.35% is due to redundancy or retirement, whilst 6.67% is as a result of leavers securing roles elsewhere, some of which will be to further careers, change profession and a small proportion (0.56%) as a result of not being content in their role.

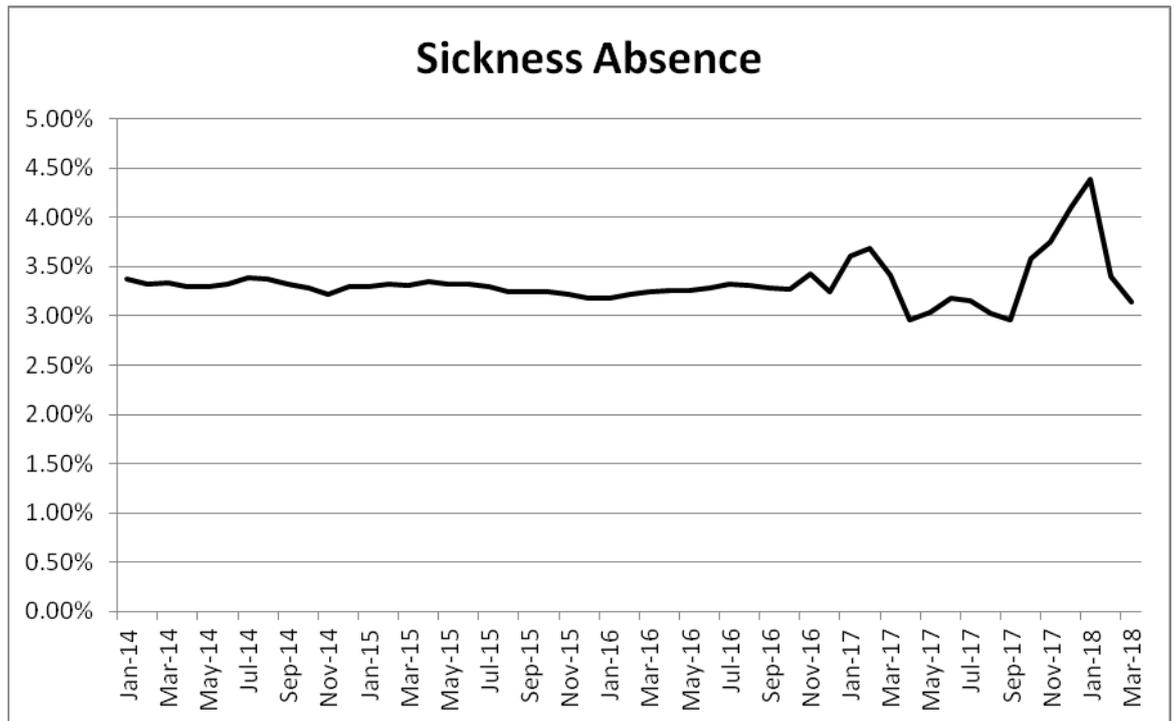
7.6 Overall non-redundancy related turnover across the Council is at a normal or typical level for an organisation of our size (circa 10%). Turnover rates are monitored regularly and where levels are significant or if there are particular concerns being flagged, then targeted work is undertaken to understand the reasons, context, and measures are put in place to mitigate. Measures include recruiting for anticipated vacancies, and tackling turnover by working with management to improve morale or engagement of staff. Where skills sets are in high demand and short supply and where salary levels are less than competitive in the wider market, then consideration is given to the introduction of market supplements as a retention incentive. Examples of this include Social Workers, Senior Practitioners and specialist IT roles.

7.7 Whilst there will be a need to make further savings for T19 which will result in further reductions in the workforce, there has been and will, in some areas be a need to increase headcount due to a growth in traded services or meeting workforce capacity requirements to deliver the needs of the business e.g. social workers in Children’s Services. Departments are determining how best to achieve this whilst ensuring that employee wellbeing, performance and productivity is maintained or improved.

8 Sickness Absence Data (% of Working Hours Lost)

8.1 The table below shows absence levels to be at a consistent level of between 3.17% and 3.27% from January 2014 to October 2016. Since then levels have fluctuated, rising to 4.39% in January 2018 and then reducing to 3.14% in March 2018. The rise in sickness levels between October 2017 and January 2018 is due to an increase in flu and colds; and whilst anecdotally this seems to reflect the national picture, updated 2017/18 stats are awaited.

8.2



8.3 The total estimated cost of sickness absence during the last 12 months (April 2017 to March 2018) remains at circa £8m. A full breakdown of absence levels and costs by department is included at Appendix 3a and 3b.

8.4 Absence rates for HCC are above the national average of 2.9% across the public sector and specifically 2.7% in local government. They are lower than the average sickness levels in the health sector which is 3.5%. The private sector sickness average is 1.7%. (Source: ONS Sickness absence in the labour market (2016). This is the most recent sickness absence report published by ONS).

8.5 The top three absence reasons in 2016 and 2017 were anxiety / stress; operations / post op recovery; and muscular / skeletal conditions; however the rise in January 2017 and 2018 was attributed to an increase in absence due to colds, flu, chest infections and viruses; given this, offering staff the opportunity to have a flu jab is under consideration.

8.6 This compares with the ONS data which identifies that minor illnesses (such as colds and coughs) were the most common reason for sickness absence in 2016 followed by musculoskeletal problems. Mental health conditions were the fourth

most common absence reason after a general category of 'other' conditions.

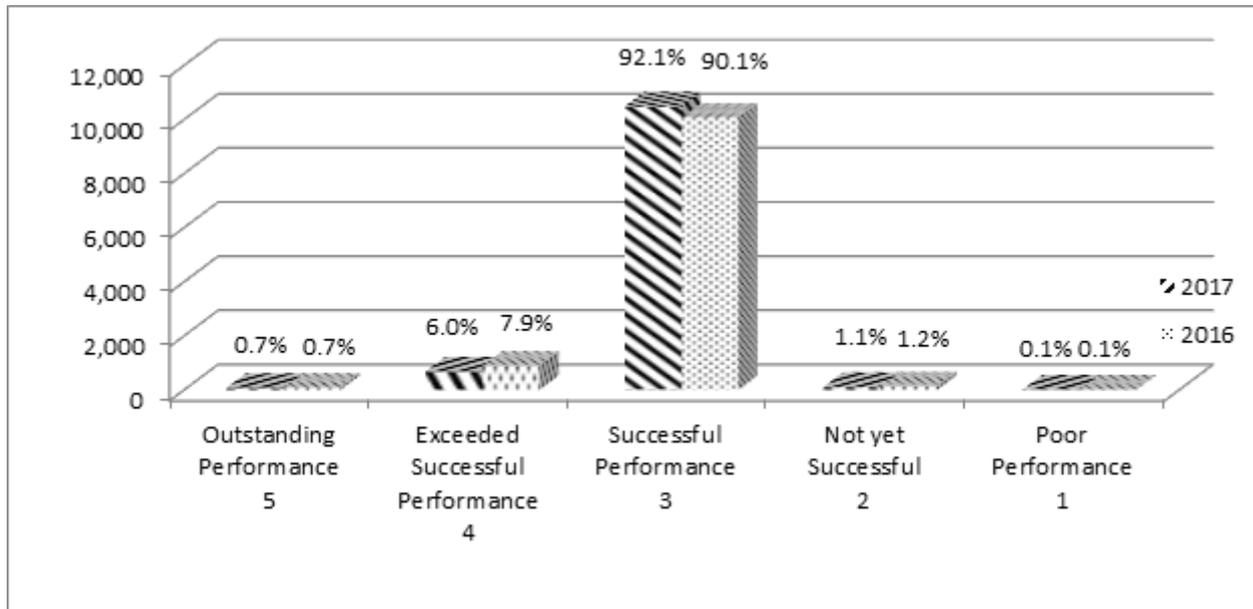
- 8.7 The absence levels can be attributed to demographics, geography, health status (long term vs short term sickness) and employment type of our workforce e.g. absence rates are typically higher in caring roles or elementary occupations (such as catering) compared with professional or managerial roles.
- 8.8 Absence rates remain higher in those occupations that have higher exposure to infections or diseases (e.g. health workers). Similarly, in some roles the worker is required to abstain from work when unwell to avoid introducing sickness or infection. This can be seen in Adults' Health and Care which has a higher sickness absence rate of 3.99% in March 2018 compared with the Council average. This is more comparable with typical absence rate in the Health Sector which was circa 3.5% in 2016.
- 8.9 Evidence suggests that where absence levels due to sickness are routinely monitored, that levels tend to be consistent. When managers actively manage absence then sickness absence rates can be reduced. Sickness dashboards are available to enable managers to monitor and take appropriate action.
- 8.10 As previously referenced, the Director of Public Health is leading a Resilience & Mental Wellbeing Task and Finish Group. A programme of activity is currently being developed for implementation in 2018, and specifically the Council's wellbeing pledge and wellbeing portal will be launched during the week beginning 14 May 2018 (to coincide with mental health awareness week) and an HCC wide staff wellbeing survey is planned for Summer 2018 which will further inform our areas of focus.

9 Employee Performance

- 9.1 The Council's Valuing Performance (VP) Framework is designed to ensure that all staff are able to deliver high performance for our communities. The VP Framework was introduced in 2015 and the following table shows employee performance during 2016 and 2017 against the VP rating scale. The VP framework has been re-shaped for 2018, moving to a much greater focus on managers and staff having really effective performance and development conversations. The aim of the conversation being to provide 'stretch' for individuals and to continually improve overall performance. Given the majority of staff are successful or high performers, and evidence suggests this is not driven by 'ratings' and more by factors such as development, effective management, clarity of role and engagement, the 'ratings' part of the framework have been removed. Performance will continue to be monitored carefully across departments and closely aligned to the service requirements and associated stretch required in terms of knowledge and skill sets.
- 9.2 The VP Framework appraises staff performance against achievement of their objectives and behaviours and as can be seen, 98.8% of staff are delivering at or above the required level of performance. Managers are actively supporting and addressing the performance of those members of staff who are not

achieving the required level.

9.3



Note: Data above refers to those staff on EHCC terms and conditions only.

10 Recruitment 'Hot Spots' / Challenges

10.1 The national and regional context remains unchanged to that reported in November 2017, and specifically; skill shortages for specialist roles, high employment in the region, and competition from other sectors to attract from within the same labour pool. The Council continues to have a number of significant recruitment and retention 'hot spots' in particular social work, nursing, care, engineering and IT. An update to the table of recruitment and retention initiatives for key 'hot spots' is included at Appendix 4.

10.2 Key recruitment and retention initiatives currently being undertaken by the Council include:

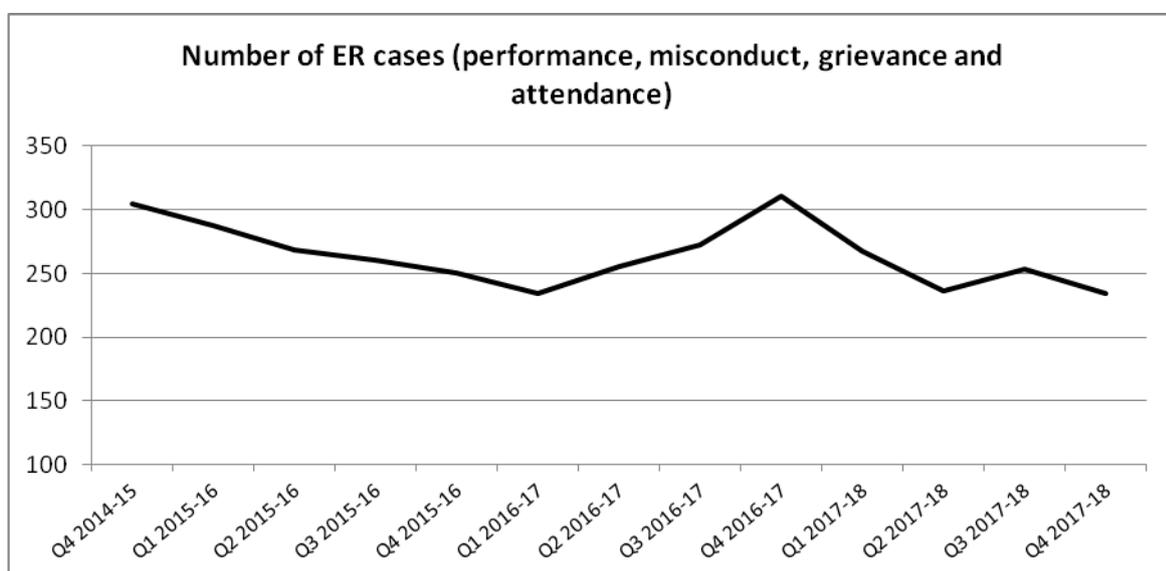
- Recruitment Improvement Programme - key objectives are to improve the candidate and hiring manager experience, to reduce time to hire, to reduce candidate withdrawals and increase vacancy fulfilment. Progress within the programme has been outlined below:
 - Phase 1 of the Recruitment Improvement Programme has been completed, including the launch of Success Factors and reshaping of the recruitment team and redevelopment of the Council's Careers pages for specialist roles.
- Key initiatives under phase 2 of the programme are underway, which are focusing on productivity and quality improvements. These include:
 - Greater use of a wider range of media and ways in which to attract from as wide a labour pool as possible, specifically into key talent markets (e.g. Social Work).
 - Pilot of Value Based Recruitment within Adults' Health and Care.
 - Exploration of developing and managing an external talent pool.

- Reporting and tracking progress on all initiatives will be provided through the Recruitment Improvement Board, as well as performance being monitored through Shared Services governance and the new HCC Operational Performance Group (OPG). Whilst reporting data via Success Factors is still limited, at the last OPG, Customer Satisfaction scores are showing rising satisfaction (candidate and line manager). Further reporting and monitoring of progress will be provided via Success Factors at subsequent OPG's.

11 Employee Relations Casework

11.1 The following graph and data table summarises the number of Employee Relations (ER) cases for the categories of performance, misconduct, grievance and attendance between 2015 and 2018, by quarter.

11.2



Notes:

1. Data is only available from 2015.
2. Only those cases logged with the ER team are recorded in this dataset. Any cases that are being managed locally (informal or low level formal cases) and that do not require HR advice and support will be managed directly by the manager and are not included.

11.3 The increase in ER cases in early 2017 is largely attributable to an increase in attendance management cases at this time and correlates with the increased absence rates as outlined at Section 7 above.

11.4

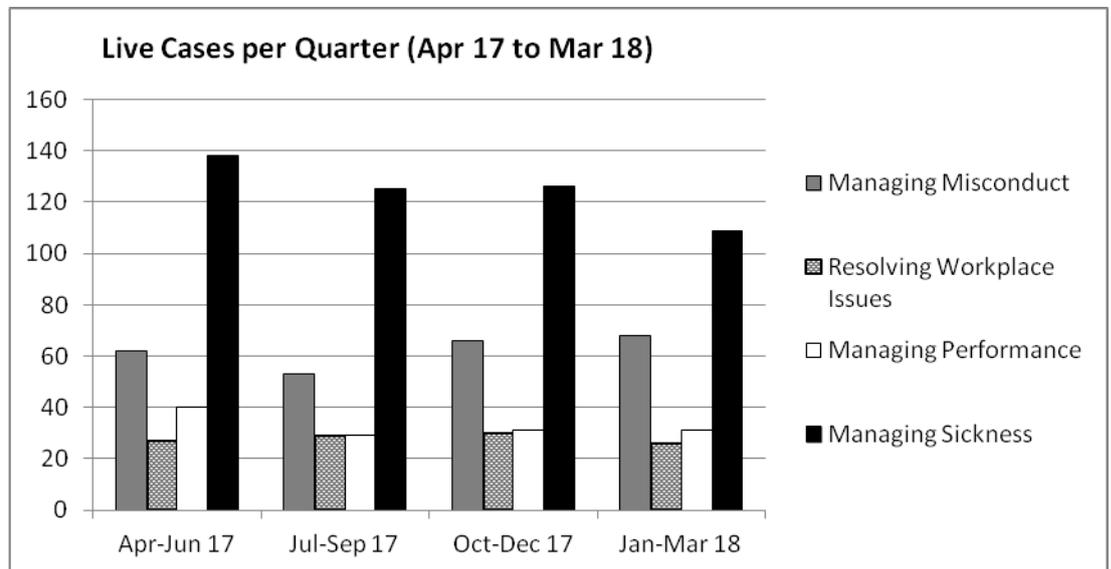
Year	ER Casework				Total
	Jan – Mar	Apr – Jun	Jul – Sept	Oct – Dec	
2015	305	288	268	260	1,121
2016	250	234	255	272	1,011
2017	311	267	236	253	1,067
2018	234				234

11.5 The overall number of ER cases within the Council continues to be relatively consistent year on year and reflects an organisation of our size that has a focus on supporting members of staff perform successfully and tackling ER issues where appropriate to do so.

11.6 The following graph and data table splits out the number of ER cases by category for the previous 12 months to March 2018. A further breakdown by department is included at Appendix 5. Managing sickness absence cases continues to account for the majority of ER cases requiring HR advice and support and reflects the continued focus on tackling absence issues and improving attendance.

11.7 As part of our case management improvement programme, the recent introduction of new technology (C4C) will provide the ability to capture and report on key performance data, identify continuous improvement actions and enable improved service provision to managers.

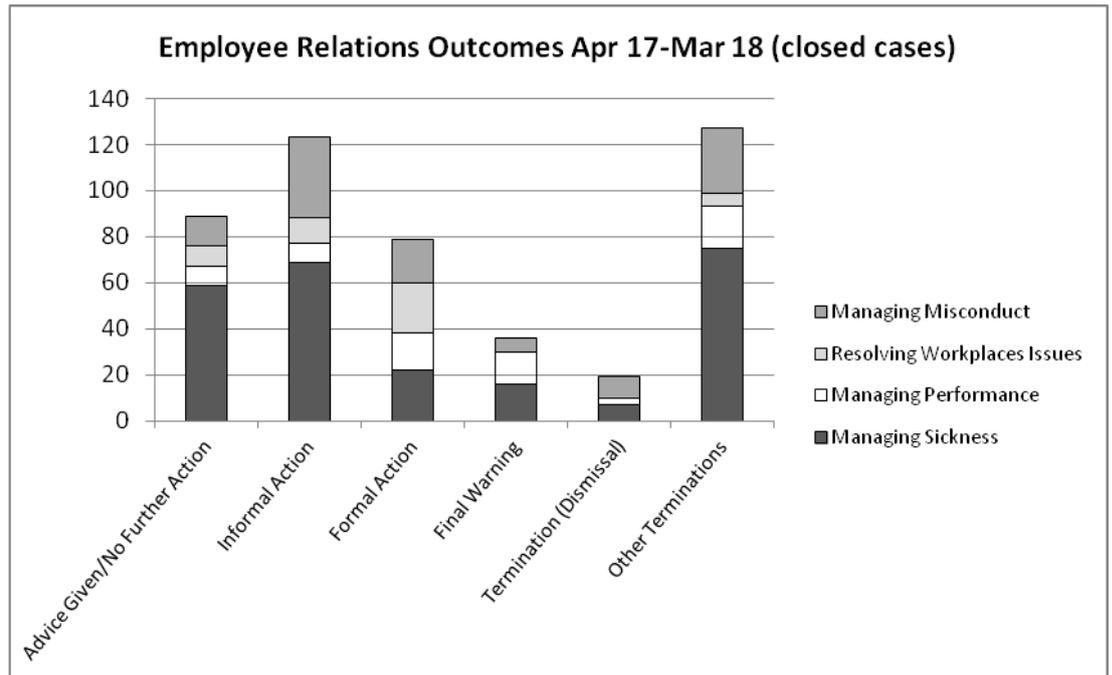
11.8



Category	Live Cases				TOTAL
	Apr-Jun 17	Jul-Sep 17	Oct-Dec 17	Jan-Mar 18	
Managing Misconduct	62	53	66	68	249
Resolving Workplace Issues	27	29	30	26	112
Managing Performance	40	29	31	31	131
Managing Sickness	138	125	126	109	498
TOTAL	267	236	253	234	990

11.9 The following chart summarises the outcomes for closed employee relations cases and issues from April 2017 to March 2018.

11.10



12 Next steps

- 12.1 The organisation will continue to monitor trends in the workforce data, taking account of market and economic context in order to ensure the necessary workforce policies and measures are in place.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Recruitment in Hampshire County Council	8 July 2015
Workforce Report	14 March 2017

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 Duty

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:

1.3. No impact

2. Impact on Crime and Disorder:

2.1. Not applicable.

3. Climate Change:

3.1. Not applicable.

Appendix 1

The following tables shows the profile of staff aged 55¹ and over by department as at March 2018. Headcount is provided rather than full-time equivalent.

Headcount Department	<u>Under 55</u>			<u>55-59</u>			<u>60-64</u>			<u>65-69</u>			<u>70+</u>			<u>Total 55 and above</u>			<u>Total Staff In Dept.</u>		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Adults' Health & Care	1906	512	2418	419	85	504	219	60	279	53	15	68	16	2	18	707	162	869	2613	674	3287
CCBS	2262	499	2761	350	122	472	213	86	299	41	26	67	22	8	30	626	242	868	2888	741	3629
Children's	1774	301	2075	294	65	359	175	45	220	39	18	57	5	2	7	513	130	643	2287	431	2718
Corporate	941	519	1460	116	57	173	46	23	69	5	2	7	1	0	1	168	82	250	1109	601	1710
ETE	389	307	696	149	66	215	147	43	190	65	33	98	77	36	113	438	178	616	827	485	1312
All HCC Dept.	7272	2138	9410	1328	395	1723	800	257	1057	203	94	297	121	48	169	2452	794	3246	9724	2932	12656
% of each gender within age band* Department	<u>Under 55</u>			<u>55-59</u>			<u>60-64</u>			<u>65-69</u>			<u>70+</u>			<u>Total 55 and above</u>					
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Adults' Health & Care	72.9%	76.0%	73.6%	16.0%	12.6%	15.3%	8.4%	8.9%	8.5%	2.0%	2.2%	2.1%	0.6%	0.3%	0.5%	27.1%	24.0%	26.4%			
CCBS	78.3%	67.3%	76.1%	12.1%	16.5%	13.0%	7.4%	11.6%	8.2%	1.4%	3.5%	1.8%	0.8%	1.1%	0.8%	21.7%	32.7%	23.9%			
Children's	77.6%	69.8%	76.3%	12.9%	15.1%	13.2%	7.7%	10.4%	8.1%	1.7%	4.2%	2.1%	0.2%	0.5%	0.3%	22.4%	30.2%	23.7%			
Corporate	84.9%	86.4%	85.4%	10.5%	9.5%	10.1%	4.1%	3.8%	4.0%	0.5%	0.3%	0.4%	0.1%	0.0%	0.1%	15.1%	13.6%	14.6%			
ETE	47.0%	63.3%	53.0%	18.0%	13.6%	16.4%	17.8%	8.9%	14.5%	7.9%	6.8%	7.5%	9.3%	7.4%	8.6%	53.0%	36.7%	47.0%			
All HCC Dept.	74.8%	72.9%	74.4%	13.7%	13.5%	13.6%	8.2%	8.8%	8.4%	2.1%	3.2%	2.3%	1.2%	1.6%	1.3%	25.2%	27.1%	25.6%			

* This data shows the percentage of Females and Males in the department, at each age band from the entire workforce of the Department .
For example – in Adults' Health and Care, 72.9% of the Females in the department are Under 55 and 27.1% are aged 55 and above. Across all HCC Departments, 72.9% of Males are Under 55, and 27.1% of all Males are aged 55 and above. The "Total" figures represent male and female combined. For example 73.6% of ALL Adults' Health and Care employees (male AND female) are under 55.

Appendix 2

- The following tables show external turnover by department for the 12 month period up to March 2018. Further historic trend information is available on the intranet. The turnover rates take account of increased exits as a result of EVR, and for CCBS there is a general position of higher turnover in catering roles.

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Adults' Health and Care	10.0%	10.7%	10.4%	10.9%	11.20%	11.40%	11.80%	12.60%	13.10%	13.50%	13.80%	14.32%
Childrens	17.9%	18.8%	18.7%	19.4%	20.00%	19.50%	19.00%	18.10%	17.30%	16.60%	16.10%	17.74%
CCBS	17.9%	17.8%	17.3%	17.2%	17.80%	18.10%	18.40%	18.70%	18.90%	19.00%	19.30%	19.18%
ETE	11.6%	11.6%	11.7%	12.0%	12.10%	11.70%	11.60%	12.00%	11.50%	11.00%	11.70%	12.09%
Corporate	13.8%	13.4%	13.5%	14.4%	14.20%	14.40%	16.30%	15.80%	17.80%	16.00%	17.90%	16.63%
All	14.6%	15.0%	14.7%	15.1%	15.50%	15.50%	15.80%	15.90%	16.10%	15.80%	16.20%	16.54%

- The table below shows the % turnover against the 'leaving categories' for the period April 2017 to March 2018.

Overall 12 months	Resign – Alt Employment	Resign – Alt LG Org	Resign - Dissatisfaction	Redundancy	Retirement	Dismissal	All other reasons*
16.54%	6.17%	0.50%	0.56%	0.34%	1.01%	0.83%	7.13%

*Those in the 'other' category have left for a number of reasons, some of these include; family commitments, returning to education, health, and moving out of the area.

Appendix 3a

Sickness Absence Data by percentage of working hours lost

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Adult's Health and Care	4.12%	4.08%	4.28%	4.37%	4.63%	4.12%	4.93%	4.86%	5.48%	6.01%	4.52%	3.99%
Childrens Services	2.63%	3.09%	2.90%	2.75%	2.95%	2.63%	3.21%	3.91%	4.01%	4.42%	3.32%	2.92%
CCBS	2.43%	2.74%	2.92%	2.88%	1.82%	2.43%	2.89%	2.97%	3.44%	3.48%	2.63%	2.54%
ETE	2.09%	2.07%	1.89%	1.76%	1.65%	2.09%	2.35%	2.96%	3.05%	2.97%	2.48%	2.71%
Corporate Services	2.70%	2.77%	2.83%	2.85%	3.06%	2.70%	3.36%	3.16%	3.17%	3.54%	3.16%	3.08%
All Departments	2.96%	3.04%	3.18%	3.16%	3.02%	2.96%	3.58%	3.75%	4.10%	4.39%	3.40%	3.14%

Appendix 3b

Sickness Absence Data by percentage of working hours lost

The estimated sickness cost is based on the actual amount of basic pay for the duration of the absence. It is calculated using the actual pay of each individual who is recorded as being absent due to sickness. This does not include any additional costs such as overtime, agency and team disruption that may be associated with sickness absence.

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
Adults' Health and Care	£187,346	£214,368	£245,581	£248,211	£256,724	£223,570	£284,378	£279,381	£264,900	£350,918	£228,490	£190,247	£2,974,114
Children's Services	£121,972	£168,524	£167,295	£166,784	£150,083	£162,464	£171,969	£199,431	£172,894	£227,034	£149,190	£133,152	£1,990,792
CCBS	£78,824	£112,700	£122,711	£111,224	£80,854	£98,813	£70,597	£81,977	£86,905	£132,782	£89,516	£87,920	£1,154,823
ETE	£26,904	£27,173	£28,812	£25,925	£30,530	£29,019	£34,299	£49,209	£44,378	£44,707	£37,442	£42,766	£421,164
Corporate Services	£70,540	£99,926	£107,983	£101,460	£102,513	£94,902	£108,960	£103,861	£101,869	£131,727	£107,652	£88,874	£1,220,267
All Departments	£485,586	£622,691	£672,382	£653,604	£620,704	£608,768	£670,203	£713,859	£670,946	£887,168	£612,290	£542,959	£7,761,160

Appendix 4

Recruitment and Retention 'hotspots' and progress on initiatives:

1	<p>Generalist & Specialist Engineering roles:</p> <ul style="list-style-type: none">• Continuous development of careers pages for specialist roles within Highways, Traffic & Transport, promoted via social media strategy and optimising our digital platform.• There has been a focus on graduate and apprenticeship recruitment, including an extension of the Departments Civil Engineering Scholarship Scheme to include a year in industry placement. The Scheme is run in conjunction with the Universities of Southampton and Portsmouth to support the growth of our future talent base. The extension of the Scheme has proved fruit full and we envisage being able to secure members of the scheme in a permanent or temporary capacity following qualification. The programme is 3 or 4 years (duration dependant on whether the year in industry placement is undertaken). Given the programme is in its infancy, it is too early to fully assess the effectiveness as only one person has qualified given the programme as a whole commenced 3 years ago. That said, we are monitoring closely and are in regular discussion with the Universities to ensure a collaborative approach to maximise learning and knowledge transfer for individuals with the aim to securing their capacity post qualification. HCC is the only LA in the South of England engaged in this scheme which is testament to the Department's ongoing commitment to securing top talent in the engineering profession which is in high demand.• Increased marketing of the Civil Engineering Graduate scheme (officially accredited by ICE) in order to attract talent. This accreditation is nationally recognised by the profession and by incorporating in our marketing campaigns it enables us to achieve a strong field of applicants, resultant in a continuous talent pipeline as retention is strong post qualification.• Transitioning existing and creating new apprenticeship opportunities to maximise opportunities to draw on the Apprenticeship Levy to aid the development of a continuous talent pipeline and support retention in recruitment hot spots.• Supporting a cohort of managers to achieve a nationally recognised mentoring qualification for staff supporting apprentices at any level or role thereby building management capacity and capability and aid retention.
2	<p>Transport Planners / Strategic Planners / Surveyors:</p> <ul style="list-style-type: none">• Continued development and promotion of CCBS Property Services Graduate Scheme which is proving successful in attracting high calibre applicants, is very well received and retention is strong.• Implementation of a new Chartered Surveying Degree Apprenticeship (joint venture between ETE & CCBS) to attract and retain talent. Progress has been made in this area with apprentices now in their first year of a 5 year qualification. It is too early yet to conclude success however, the calibre of apprentices is strong and as they are directly employed, career pathways are being planned to enable progression at

	<p>the point of qualification.</p> <ul style="list-style-type: none"> • Raising the profile of ETE’s Transport Planners Training Scheme to attract and retain talent. This is now well established with directly employed staff supported through a recognised Transport Planning qualification. Five staff are currently supported on the programme. As with engineering, transport planning professionals are in high demand and it is therefore inevitable that there is turnover in those trained, either through internal promotion (positive retention) or to higher paid roles outside the Council. Intelligence suggests that staff moving to roles outside the Council are driven by pay and other benefits rather than dissatisfaction with the role. This is closely monitored with a focused effort on exploring ways in which to retain talent whilst also maintaining a constant talent pipeline through continuous sponsorship of staff on the programme. • Development of careers pages for specialist roles within Planning (ETE), promoted via social media strategy and optimising our digital platform. • Development of career pathways for professional planning roles to aid recruitment and retention whilst building capacity and capability within our workforce.
3	<p>School Escorts and School Crossing Patrols:</p> <ul style="list-style-type: none"> • Deployment of targeted recruitment campaigns, utilisation of social media and working closely with schools continues to be a key way of raising the profile of School Escorts and School Crossing Patrols and securing required resources.
4	<p>Workshop Technicians and Managers:</p> <ul style="list-style-type: none"> • Market research has confirmed that the national shortage of staff with these skills and qualifications remains and therefore market supplements are in place to aid recruitment and retention.
5	<p>Generalist Management & Project Managers:</p> <p>Work continues in the areas previously referenced and described below.</p> <ul style="list-style-type: none"> • Creative use of the Apprenticeship Levy to fund professional qualifications to develop and increase capacity and capability of existing staff through a new CCBS Talent Development Programme. This is a new initiative which commenced in April 2018; and following a competitive process, four existing staff successfully secured a place on the programme which will see them take up 4 x 6 monthly placements over a 2 year period. The placements will be across the Department, during which they will undertake an apprenticeship in Associate Project Management (level 4). In addition to the four, there are 14 other CCBS staff who are undertaking the same apprenticeship but who are not part of the talent programme but are in project based roles. Progress is being monitored in order to evaluate success and develop future programmes. • Within both ETE and CCBS, expanding the flexible deployment of staff with transferable skills on a matrix basis resulting in significant benefit to the business in terms of project delivery, staff development and

	retention.
6	<p>Catering Assistants:</p> <ul style="list-style-type: none"> Proactive and timely recruitment campaigns to ensure resource levels are maintained to meet business needs.
7	<p>Nursing - Internal Provision</p> <ul style="list-style-type: none"> Nursing capacity has improved following the introduction of the Assistant Practitioner role. Additionally there has been an increase in the number of nurses recruited with a fairly steady on-boarding of 1 or 2 nurses a month which is improving the overall staffing profile. Recruitment generally has benefitted significantly as a result of improved branding and marketing, the promotion of social media and crucially the introduction of 'recruitment day's which has resulted in circa 8 – 12 appointments per recruitment day.
8	<p>Community and Hospital Teams – Adults' Health & Care</p> <ul style="list-style-type: none"> Qualified Social Workers - there continues to be a challenge around the appointment of qualified and experienced social workers for all client groups (LD, MH and OPPD) as opposed to Newly Qualified Social Workers who need to complete post degree competency assessment. The shortage of QSW is particularly evident in the north of the County i.e. Basingstoke, Alton, Petersfield and the New Forest. The national shortage of Approved Mental Health Professionals continues to create recruitment pressures for the Department. However, a new approach to the deployment of the previous 'hub and spoke' model means staff working solely as AMHP's in the Hub are in receipt of increased market supplements and a shift allowance. This has significantly improved the reward package available and staffing levels have improved markedly with the expectation that vacancies will continue to reduce. Significant effort is being focused on raising HCC's profile as an employer of choice for social workers. In addition to attending national recruitment events the department is showcasing the advantages of working for HCC, specifically the opportunities for career development, a really strong workforce development offer, good supervision and support and a genuine commitment to flexible working. In order to address the retention issues a dedicated 'Task and Finish' group has been established chaired by an Assistant Director. Consideration is currently being given to a range of recruitment incentives, for example, the potential increase/introduction of a market supplement and maximising flexible working (particularly given the imminent roll out of mobile devices). In addition the numbers of staff supported through the Employment Based Social Work degree will be increased with the intention of utilising the graduate social work apprenticeship route when available.

9	<p>Values Based Recruitment</p> <ul style="list-style-type: none"> In order to address some the hot spots within Adults' Health & Care, and to inform wider use, a values based recruitment approach will be adopted to facilitate the appointment of those with a value base that aligns to that of the department and council. Evidence suggests that whilst skills can be taught, it is more difficult to 'change' an individual's value set. Where both are a good fit, and specifically an individuals 'value set' then it is likely to result in a more highly performing, motivated workforce, and reduced turnover. The impact of this approach will be monitored in order to inform whether such an approach could be widened across the council.
10	<p>Social Workers - in Childrens Services</p> <ul style="list-style-type: none"> Cabinet have recently approved an investment of £6.5m in children's social care which enables Children's Services to recruit up to 120 additional social workers. This investment will enable the Department to intervene at a much earlier stage and support families who are struggling, or close to struggling, and get them on to a more stable footing so that children can remain at home and ensure that only those for whom there is no other option come into our care. This will also help improve the retention of social workers by helping to ensure that they are able to conduct meaningful interventions for children and families and have the resources they need to do their role. A one off retention payment to support staff and reduce turnover during the next 12 – 18 months whilst we recruit to these positions was announced in December 2018. Turnover is being monitored closely to understand whether this initiative has had the intended impact.
10.1	<ul style="list-style-type: none"> Recruitment to the number of additional social workers necessary to fill existing vacancies and meet the investment is ambitious but not impossible. Due to the particular national shortage of experienced children's social workers it is intended that approximately 70% of the new recruits will be newly qualified social workers. Since August 2017 the department has already recruited 28 newly qualified social workers through our new Graduate Entry Training Scheme with another 36 candidates with confirmed or conditional start dates.
10.2	<ul style="list-style-type: none"> A full programme of social worker recruitment and retention activities has been created for 2018 and to increase our ability to connect with and attract experienced children's social workers the Department entered into a strategic partnership agreement with Community Care in February 2018. Through this agreement the Department is attending a social work professional development recruitment fair in Manchester in April 2018 with a targeted offer for relocation support and will attend 2 further fairs in London later this year. In addition the Department will be working with other authorities to seek to build a social work recruitment

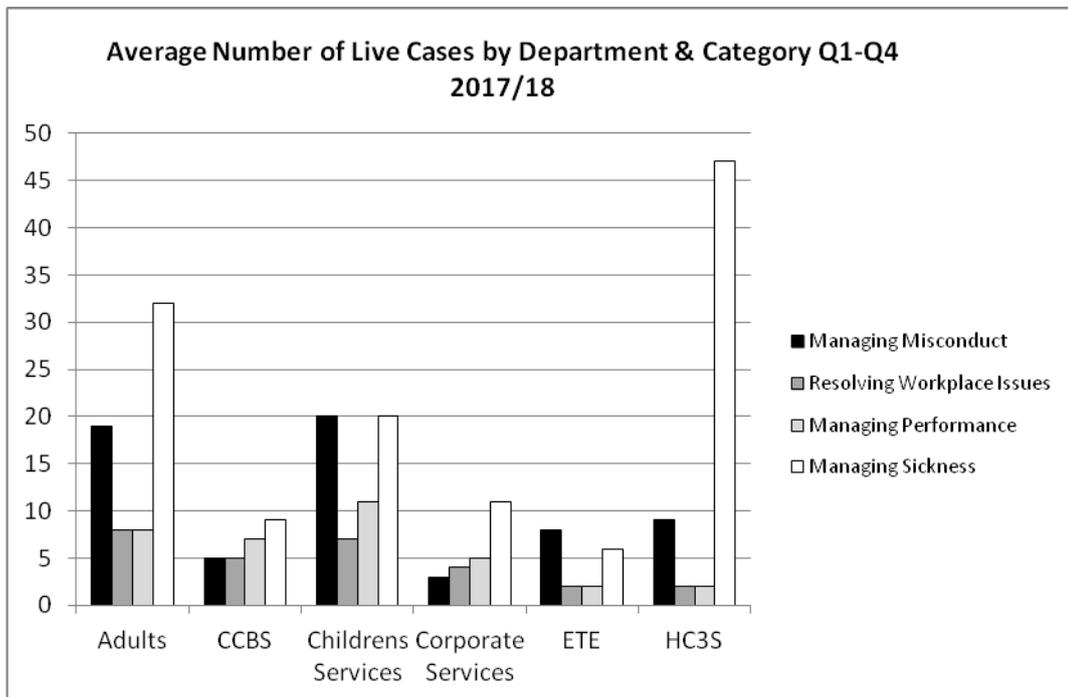
	<p>fair for the South of England hosted by HCC. Attendance at events is being supported by targeted marketing campaigns promoting the key strengths and benefits of working for children's services in HCC.</p>
10.3	<ul style="list-style-type: none"> Increased use of flexible and mobile working supported by the roll out of mobile technology is also helping support the retention of staff. Workshops have been undertaken with Team Managers to seek to ensure that local management actions are aligned with retention strategies. To test and further develop our retention plan the department is implementing a social work risk retention tool that has been developed by community care in partnership with the University of the West of England. This tool has involved the organisation completing a self assessment and over 230 social work staff completing a survey. The results are expected in May 2018.
11	<ul style="list-style-type: none"> Specialist IT roles continue to be highly sought after and are critical to the success of many Tt19 programmes of work. Roles are kept under review and where appropriate, individuals are secured through a combination of short term contracts (in house / agency), payment of market supplements to attract and retain talent, as well as developing the skill sets of current employees to meet current and future needs.
12	<ul style="list-style-type: none"> There continues to be retention challenges for Shared Services administrative roles. Work is underway to ensure staff feel valued and part of a team that delivers great services to our increasing number of customers – both residents and partners. Improving skill sets and widening knowledge is proving helpful in being able to retain staff in the service. As well as these initiatives and given we know word of mouth is the most powerful recruitment strategy, we asked staff to help with this by recommending 'friends' for which we reward them for successful appointments. The number of recruits was limited to business need and staff were limited to recommendations of up to four. This has proved successful and will continue to be used where our business growth and need for critical roles is determined.
13	<p>Apprenticeships.</p> <ul style="list-style-type: none"> The introduction of the Apprenticeship levy in 2017 presents a further opportunity to support the future workforce requirement of the organisation both in the form of talent attraction and talent development. As the policy takes hold and grows in scope and recognition, the recently established Hampshire Apprenticeship Programme is supporting the attraction of candidates by providing a credible skills and professional development offer, complementing our established workforce development offer. The recently approved 'grade for the role' Apprentice pay policy also provides the County Council with a

	<p>competitive advantage in attracting talent within a high employment environment.</p> <ul style="list-style-type: none"> • The broadening Apprenticeship offer is supporting existing employees to develop their skills and capacity in line with business needs. Early levels of demand and feedback from prospective candidates suggests that access to new advanced, higher and degree level Apprenticeship standards will form a key part of the reward offer to employees and support talent retention. Whilst this will need to be balanced with the operational requirements of the business, these new standards are providing individuals with flexible access to higher level qualifications. • The Hampshire Youth Investment Programme, a commitment made in 2013/14 by Cabinet to create a 1000 youth employment opportunities, continues to have a positive and tangible impact on the attraction of new talent to the organisation. This has included young people drawn from priority cohorts within our community such as care leavers. The development of a Hampshire Inclusive Skills Plan in Children’s Services will present a further opportunity to explore how initiatives such as the Future Skills Centre programme, Employment & Skills Hub and Virtual College can serve to develop and attract future talent to the organisation from the Hampshire community. • Since May 2017, there have been 152 individuals who have taken up an apprenticeship, with a further circa 150 in process.
14	<ul style="list-style-type: none"> • Building workforce capacity and capability continues to be a significant focus across the organisation. This aids continued improved performance as well as being a key part in the retention and growth of talent across our workforce. Approaches include: <ul style="list-style-type: none"> • Targeted leadership and management development programmes (including Apprenticeships) and services that build capacity and capability within our leadership and management cohort to lead innovation, transformation and of critical importance, to support improvements in operational capability. • Working across the organisation and with business functions to develop strategic workforce interventions that specifically reflect business critical competency areas. All of which enable enhancement of skill sets, retention of talent and the ability to continually meet stretched targets.

Appendix 5

HR Employee Relations Casework – Average number of live cases by Department & Category (April 2017 – March 2018).

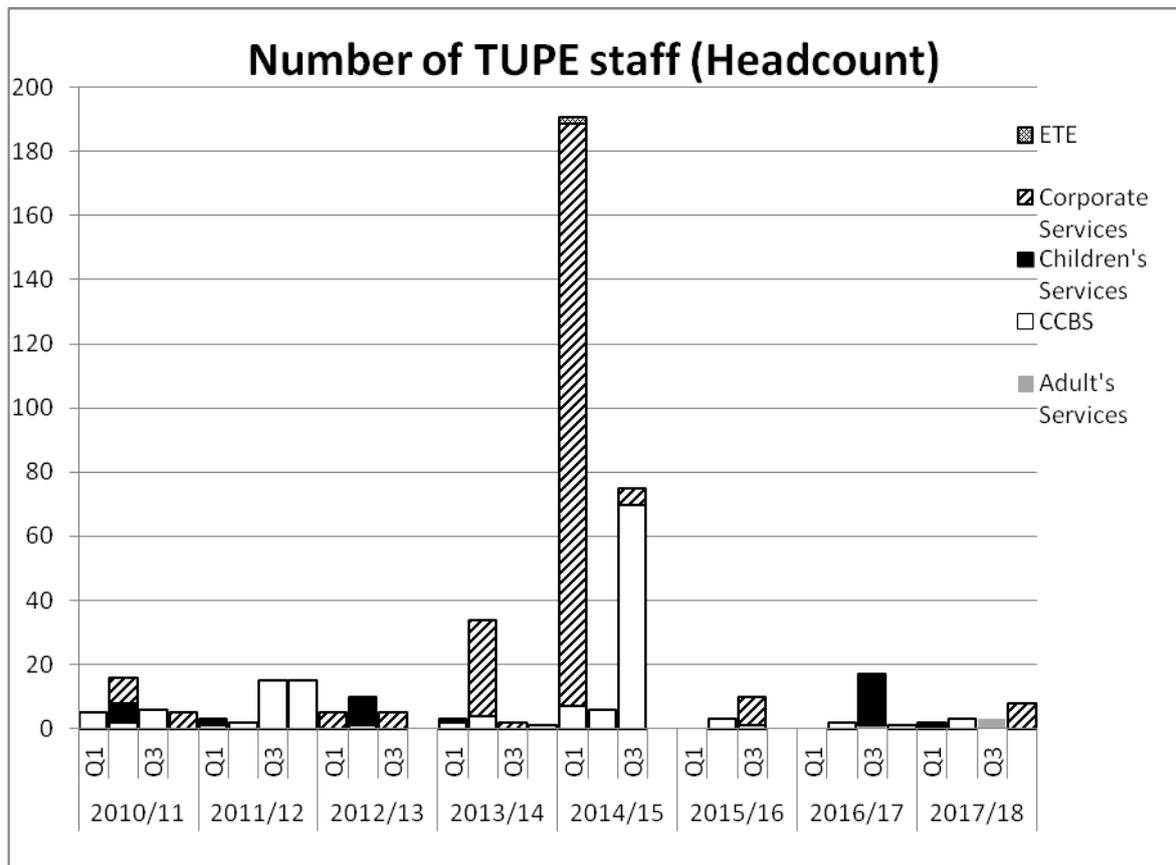
Live Cases	Managing Misconduct	Resolving Workplace Issues	Managing Performance	Managing Sickness
Adults' Health and Care	19	8	8	32
CCBS	5	5	7	9
Children's Services	20	7	11	20
Corporate Services	3	4	5	11
ETE	8	2	2	6
HC3S	9	2	2	47
TOTAL	64	28	35	125



The numbers of Managing Sickness cases in CCBS are mainly in the area of HC3S and are reflective of the pro-active approach management take in closely monitoring and taking action in a timely manner.

Appendix 6

TUPE transfers into the Council April 2010 to March 2018 by department



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HAMPSHIRE COUNTY COUNCIL REPORT

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Pay and policy update
Report From:	Director of Corporate Resources

Contact name: Nichola Andreassen

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Email: nichola.andreassen@hants.gov.uk

1. Executive Summary

- 1.1 This paper provides an update on the national pay award and the impact in 2018 and 2019 on EHCCs pay framework.
- 1.2 The paper also recommends introducing flexibility on the limit of expenses paid for relocation assistance in exceptional circumstances.

2.0 Pay update - Pay Award (2018/2019)

- 2.1 As part of the last pay deal (2016 and 2017) the Local Government Association (LGA) and Trade Unions committed to undertake a technical review of the National Joint Committee (NJC) pay spine. A negotiated two year pay deal has now been agreed which sees an interim increase for April 2018 based upon the existing framework and a move to a new NJC pay framework in 2019.
- 2.2 Ahead of reviewing the pay framework in detail, the 2018 pay award was successfully applied without the need for any amendments of steps or grades in the current pay framework. Year 1 of the 2 year pay deal (2018) was applied to grades A to G inclusive as per the national pay agreement and to other staff groups outside of this pay range as previously agreed with EHCC.
- 2.3 **Year 1 of the pay award which is effective from 1 April 2018 (paid in June salaries), results in the current EHCC salary ranges being increased by 2%, at Grades D and above. At Grades A, B and C salaries increase by fixed amounts resulting in rises of between 4.7% and 9.2% with the current EHCC salary ranges being increased by 2% at**

Grades D and above. At Grades A, B and C salaries will increase by fixed amounts resulting in rises of between 4.7% and 9.2%.

2.4 **In year 2 of the pay award, from 1 April 2019**, the majority of staff will receive a further 2% pay increase with higher increases for lower paid staff and a minimum salary of £9.00 per hour (£17,364).

2.5 Pay update – impact upon pay EHCC framework

2.6 The 2018 pay award has been implemented without the need to make any changes to steps or grades in the EHCC pay framework.

2.7 In respect of the 2019 (year 2) pay award, the Council's initial assessment is that the pay award can be applied without the need for any amendments to either steps or grades. EHCC are asked to agree that the year 2 national pay award is applied to the EHCC pay framework in line with section 2.4 above.

2.8 That said, applying it to our current pay framework will erode (and in some cases eliminate) the differentials within grades A, B and C therefore it may be appropriate, following further modelling, to recommend changes such as removal or consolidation of steps at the lower grades.

2.9 Now the details of the new NJC pay framework are known it is possible to undertake further work to understand the impact and the potential complexities of this. If as a result of the further modelling there are proposed changes to the EHCC pay framework it is recommended that these are brought back to EHCC in November, ahead of starting consultation with Trade Unions for agreement; with implementation to be made in time for April 2019 if consultation and technology solutions allow, or during 2019.

3.0 Relocation Assistance

3.1 Relocation assistance can be provided when HCC requires an individual to move work base, or to make a role more attractive to potential applicants we would want to secure into critical roles.

3.2 The payment of relocation assistance is subject to qualifying criteria and a cap of £10,000. This is documented in the EHCC Collective Agreement.

3.3 Qualifying expenses under HMRC rules are Tax and NI free up to the value of £8,000. Any qualifying expenses exceeding this amount must be declared to HMRC and are subject to Tax and NI.

3.4 The £10,000 cap has been in place since the EHCC agreement was first signed in 2000 and given the increasing costs associated with relocation, e.g. house prices, stamp duty, legal fees etc; it is felt that the policy be amended to allow, in exceptional circumstances, this limit to be exceeded in order to attract high calibre individuals to key roles.

3.5 It is proposed to vary the EHCC agreement by the inclusion of the following:
“In exceptional circumstances, reimbursement of costs, including the impact of tax and NI, exceeding £10,000 and up to no more than 25% of base salary, may be agreed, subject to Chief Executive and Director of Corporate Resources approval”

4.0 Recommendations

4.1 Agree to implement the 2019 NJC pay award of 2% to grades H to K, and those staff paid above grade K.

4.2 Agree that should further pay modelling identify proposed changes that these will be brought back to November EHCC meeting for consideration

4.3 Agree the proposed variation for Relocation Assistance to the EHCC Collective Agreement that “In exceptional circumstances, reimbursement of costs, including the impact of tax and NI, exceeding £10,000 and up to no more than 25% of base salary, may be agreed, subject to Chief Executive and Director of Corporate Resources approval”.

**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>Date</u>
Pay, Policy and Legislation Update	22 November 2017
Pay, Policy and Legislation Update	12 July 2017

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.	

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 not envisaged there will be any equalities impact.

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.

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HAMPSHIRE COUNTY COUNCIL REPORT

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Redundancy Policy
Report From:	Director of Corporate Resources

Contact name: Andy Bailey

Tel: 01962 813915 **Email:** andy.bailey@hants.gov.uk

1. Executive Summary

1.1 This paper provides an update to EHCC on an amendment to the Council's redundancy policy to bring the calculation period for redundancy pay into line with the statutory requirement.

2.0 Background

2.1 Under the Council's redundancy policy redundancy pay is largely calculated as per the statutory calculation. However, for the purposes of the calculation, the Council offers a week's pay based on gross contractual pay and does not apply the statutory cap on a week's pay (currently £508). The Council's policy is intended to ensure that staff receive at least the statutory minimum redundancy pay, and in many cases, more.

2.2 Average gross weekly pay includes basic salary as well as any contractual payments claimed and contractual recurring payments, statutory payments (i.e. statutory sick or maternity pay) as well as contractual market supplements or acting-up allowances. It does not include claimed overtime or additional hours.

2.3 The Council's current redundancy policy states that a week's pay is based on the average gross weekly pay over the 3 months prior to the employee's actual leaving date. This would include the employee's final salary.

2.4 **However, current practice is to calculate the average gross weekly pay over the 3 months up to and including the penultimate salary and not to include their final salary in the redundancy pay calculation. This ensures that redundancy pay can be made as part of an employee's final salary payment as otherwise it would be delayed and have to be paid in the month following termination of employment.**

2.5 The statutory requirement as set out in the Employment Rights Act 1996 is to calculate the average gross weekly pay over the 12 weeks prior to their statutory dismissal date.

January					February					March					April			
Week 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		



Policy: Average of 3 months prior to leaving date. In this example this means a weeks' pay is calculated as an average of salary paid during the above period, ending 30 April.



Current practice: Average of 3 months up to and including the penultimate leaving month, but excluding the final salary month. In this example this means a weeks' pay is calculated as an average of salary paid during the above period, ending 31 March.



Employment Rights Act: Average of 12 weeks' prior to statutory notice. In this example this means a weeks' pay is calculated as an average of 12 weeks' salary paid between 10 January and 3 April when 4 weeks' statutory notice commences.

Diagram 1: An example of the difference between the policy, current practice and Employment Rights Act in how an average is calculated to determine a "week's pay". In this example the employee is entitled to 4 weeks' statutory notice for a redundancy dismissal on 30 April.

- 2.6 There are two types of notice period: statutory and contractual. Statutory notice is the minimum legal notice that can be given. Employers should give the employee:
- one week's notice if the employee has been employed by the employer continuously for one month or more, but for less than two years
 - two weeks' notice if the employee has been employed by the employer continuously for two years, and one additional week's notice for each further complete year of continuous employment, up to a maximum of 12 weeks. For example if an employee has worked for 5 years then they are entitled to 5 weeks' statutory notice.
- 2.7 The statutory redundancy payment is currently capped at £508 a week. The payment cap is reviewed annually and in 2006 the redundancy payment cap was only £280.
- 2.8 It has been the Council's practise to calculate the average gross weekly pay as set out above, since at least 2007. Whilst we aren't certain as to the reason for this it is probable that this methodology was based on previous terms and conditions of employment or the limitations of the Council's processes and systems at that time. Irrespective of this, as the redundancy cap was relatively lower than it is today, the Council could be certain that contractual redundancy pay always met or exceeded the statutory requirement regardless of the period used to calculate the average gross

weekly pay.

- 2.9 Increases to the redundancy pay cap since 2007 means that we can no longer be confident that an individual will continue to receive at least the statutory minimum redundancy payment as a result of the period used to calculate their average weekly gross pay.

3.0 Policy Amendment

- 3.1 In order to ensure the policy is in line with obligations under the ERA (1996) the Council will be amending its redundancy policy as follows:

- 3.2 **Existing wording:** A week's gross contractual pay is determined by the average gross weekly pay over the 3 months prior to the employee's actual leaving date.

New wording: The period used for calculating a week's gross contractual pay (as defined in this Policy) is determined in accordance with the statutory method used for calculating redundancy pay. , To be clear, an employee's gross contractual pay will continue to be used in the calculation

- 3.3 The Council's redundancy how-to-guide which provides detailed advice to managers and employees on how to effect the policy will also be updated to state that the statutory period is the 12 weeks prior to date on which statutory notice would have been given. The Council will amend its processes and systems as appropriate.

The Council does not propose to make any amendments to the elements of salary and allowances that are included in the calculation of average gross weekly pay.

4.0 Benefits

- 4.1 Amending the policy to comply with the statutory obligation ensures that there is no risk that an employee will receive less than statutory minimum redundancy pay (e.g. as a result of fluctuations to their pay in the run up to a redundancy).
- 4.2 The new policy and process will mean that employees will know the actual redundancy pay that they are going to receive significantly earlier than they do at present as at the moment this is not confirmed until their final month of employment. This will enable them to make their future plans confident of the payment that they will receive on termination of employment.
- 4.3 The average gross weekly pay is more likely to reflect an employee's true earnings as the business might reduce operational activity or service delivery in the final months prior to termination of employment as part of its

transition plans to new ways of working which would have a knock-on effect on an individual's pay. This means an individual may be better off as a result of this policy amendment.

- 4.4 The Council's practice will be fully compliant with its obligations under the ERA (1996).

5.0 Next Steps

- 5.1 At the time of writing, consultation is taking place with Trade Unions and it is on the agenda for the next JCG meeting which is scheduled for the 11th July. The intention is to implement the updated policy as soon as possible following consultation allowing for the necessary changes to the Council's process and procedure.
- 5.2 Transition arrangements will be put into place for any employees due to leave under redundancy in the 3 months following implementation of the new policy to ensure that they do not receive any less than they would have received as a consequence of this policy change

6.0 Recommendations

- 6.1 EHCC is asked to approve the amendment to the Council's redundancy policy to bring the calculation period only for redundancy pay into line with statutory requirements.(as expressed in paragraph 3.2, above).

**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:

Title

n/a

Date

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 not envisaged there will be any equalities impact.

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.

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Brexit - Workforce Implications and considerations
Report From:	Director of Corporate Resources

Contact name: Jenny Lewis

Tel: 01962 667992

Email: Jenny.lewis@hants.gov.uk

1. Conclusion

1.1 When Britain leaves the European Union the impact it will have on Britain is not yet known. However, research conducted by the CIPD (“Preparing for Brexit Through Workforce Planning” March 2018) identified some views that employers held on how Brexit could, potentially, impact them. This research found that:

- Some employers viewed Brexit as a business opportunity due to expected reduction in regulations or benefits derived from the lower international value of the pound;
- Some organisations are worried about a reduced business demand but not the impact Brexit will have on the workforce;
- There are businesses that expect Brexit effects to vary by occupational group and by location - for instance, those with a heavier contingent of non-UK national staff, especially in the overheated labour market in the south-east of England, are worrying about the impact of Brexit there, but less so about their ability to recruit and retain in other parts of the country;
- Employers in sectors like health and social care are already struggling with insufficient availability of specific skills, and they anticipate Brexit to exacerbate these problems;
- Some organisations see advantages in hiring less, being more attentive to internal development and in some cases widening recruitment channels. This could have cost savings (certainly where turnover is high) and also business benefits by creating a common culture through emphasis on internal development.

1.2 This paper is not intended to cover all of the above but outlines the key issues which are currently known that relate to Brexit and the implications on Workforce Planning and Development in Hampshire County Council – specifically the employment issues relating to directly employed staff and not the wider commissioned services. At this point in time there are many

variables which are not yet known such as the future impact on the economy and what government policies will be on migration and employment. These will impact on the actions that will need to be taken by employers and the strategies that will need to be in place. At present it is critical that there is flexibility with employment, HR and Workforce Development strategies as the picture emerges. It is advised that the risks, opportunities and implications are assessed on a regular basis and key developments in policy which implicate the Council will be identified as and when they occur.

2. Key Points for Information

It will be critical to continue to 'horizon scan' as government policy and the impact on the economy post Brexit unfolds in order to be aware of ongoing implications for Hampshire County Council.

Good employment practices, from attraction, recruitment, retention, engagement and development of employees will continue and HR will continue to be agile and able to respond and flex these practices as necessary and in good time.

3. Summary

The purpose of this paper is to identify known and potential key issues relating to the implications Brexit may have on the Hampshire County Council workforce. The paper will also identify some initial considerations for tapping into the potential opportunities and for mitigating the potential risks identified.

The purpose of the paper is to inform and no decisions or action are required at this stage.

4. Impact on the general market

- 4.1 The full impact of Brexit on the labour market will take time to emerge and will not become clear until the negotiations develop. Current commentary points towards a number of transitional arrangements being established with the European Union, including arrangements to protect the current non UK EU workers within the UK labour force. Should this be the case then initial labour market impacts post Brexit may alter over time.
- 4.2 A number of articles ("Brexit Impact on Workforce Trends" – CIPD 2018; "Brexit – the Implications for Health and Social Care" – Kingsfund 2017; "Brexit and the UK Workforce" – Accenture 2016) and initial labour-market trends, point towards a current future net-migration loss of non UK EU nationals. Following the announcement of Brexit the ONS reported that migration levels dropped by 106,000 within one year (August 2017), with over 80% of the losses being made up by non UK EU citizens. Undoubtedly changes of this nature will result in significant shifts within the future make up of the available UK labour market both in terms of size and talent demographics.
- 4.3 Economic growth within the UK has remained relatively strong since the announcement of Brexit, continuing to drive demand for labour against a

back-drop of reducing labour supply. This is reflective within current UK employment rates which are at their highest for 42 years (CIPD 2018). The reduction in the number of non-UK EU nationals in employment in the UK is potentially a significant factor within this. Should this trend continue, or if the gap continues to grow as a result of the Brexit process, it could be suggested that organisations and UK sectors must increase investment in building skill capacity into longer-term talent pipelines for the future. This may need to include the retraining of the existing labour-force into talent markets where labour supply is currently supported by non UK EU workers.

- 4.4 There has been some debate at a national level about whether ‘tier 2’ immigration criteria would apply to EU immigrants to the UK following Brexit. “Tier 2” visa eligibility currently exists for skilled workers who immigrate to the UK and includes dependency on sponsorship for a role, an ‘appropriate’ salary, defined savings and a good knowledge of English. While there is no known appetite by government to apply this criteria at present, if it were to be applied it is likely that the vast majority of current EU workers would not be eligible to work in the UK.

5 Current context: national workforce

- 5.1 In order to identify the potential opportunities and risks for Hampshire County Council resulting from Brexit it is important to first understand the context of the current workforce nationally. When analysing current ONS data to understand current UK workforce demographics (considered in the context of key talent sectors within the Council), sectors most highly supported by non UK EU workers are typically found within Food Services, Information Technology and Health/Social Work.
- 5.2 According to a survey conducted as part of the CIPD Policy Report “Facing the Future: Tackling post-Brexit labour and skills shortages” – (June 2017), difficulties filling semi-skilled or unskilled vacancies with local applicants is the most popular reason for recruiting EU nationals. Some employers were aware that if they were to improve their job offer they might attract a wider pool of applicants. The same survey found that employers were starting to recognise that they may have to target under-represented groups in the UK labour market such as older workers, women returners and ex-offenders to offset the prospect of labour or skills shortages.
- 5.3 From a national perspective, data retrieved from a variety of sources including the CIPD, Institute of Employment Studies, the National Audit Office, Department of Health and Social Care and The Kingsfund has identified the following:
- Non UK EU care workers make up 7% of the workforce nationally but with regional differences – up to 11% in the south east.
 - Nationally, nursing proportionately relies on most non UK EU workers – 16% nationally and up to 26% in the south east (these figures include NHS nurses).

- The number of nurses joining the NMC register for the first time from the EU (excluding the UK) has dropped steeply since July 2016. The number of such nurses leaving the register has increased since October 2016 with this number now exceeding the number joining the register.
- 90% of care workers are among the lowest 25% of earners which contributes to the reasons for them being roles which are difficult to recruit to.

5.4 With economic commentary pointing towards potential future rises in unemployment levels in certain sectors across the UK, the challenge for employers, including the Council, may be to consider how they retrain a smaller, more agile workforce into talent sectors that are currently more greatly supported by non UK EU workers.

5.5 Whilst a number of recruitment provisions can be established in order to support changes within the make and size of the available talent market it is noted within a recent CIPD article; “Brexit impact on workforce trends”, that many employers are now significantly investing into “building their workforces through training and development of their existing employees as opposed to “buying” through recruitment of external employees. This is in addition to exploring training and development schemes for new talent to enter the workforce to support long-term talent pipelines in key sectors.

6 Current context: Hampshire County Council workforce

6.1 There are circa 12,500 employees in Hampshire County Council, plus a further 25,000+ in schools, which includes non UK employees from the EU – however, the exact number of non UK EU employees is not recorded on the HR System, SAP, so is difficult to quantify. However, some work has been undertaken based on individuals’ ‘right to work’ data as this is taken from official documentation such as passports, birth certificates and VISA details. Based on this information the demographics of non UK EU nationals as employees is as follows:

	Total non UK EU Employees	Total Employees
HCC - excluding Schools	322	12763
HCC - Schools	346	25112

In addition to the above, some initial scoping work was completed on this in Adult Health and Social Care in February 2018 which found that, within this area of the Council, 81% of the workforce has British nationality, 8% of the workforce is from within the EU and 12% of the workforce is from outside the EU. This indicates a higher reliance on non EU workers than EU workers. While across the rest of Hampshire County Council non UK EU employees occupy a wide range of roles, local intelligence suggests that there are a higher proportion in some of the roles which the Council find most difficult to

recruit to, such as care assistants, catering assistants, nurses, social workers and specialist/skilled IT roles.

- 6.2 In the Hampshire County Council response to a Migration Advisory Committee (MAC) 'Call for Evidence' survey in August 2017 it was stated that the types of jobs migrant workers perform varies but EU and non-EU workers are primarily recruited into shortage occupations. For Hampshire County Council, its strategic partners and schools in Hampshire (regardless of governance status) shortage occupations are: Teachers – particularly in secondary schools in Maths, Science, Modern Foreign Languages and Business Studies; Nurses and Care Assistants; Engineers; Low skilled workers such as cleaners, catering, waste operators, domestics and laundry staff. Therefore, these are the roles that the Council will keep a watching brief on to monitor whether they are impacted by fewer EU workers available to fill them in future.
- 6.3 As of May 2018, 25.1% of the current Council workforce are aged over 55 which is indicative of the aging population nationally. On the one hand, potential retirement of employees in this age group over the forthcoming years could create turnover and future vacancies. However, increasingly people are remaining in work beyond the age of 70 which, in turn, can frustrate the younger generations. There is an opportunity with this age group as there is an increasing trend for people to seek a second or third career in this age bracket and/or post-retirement. If the available labour market does change following Brexit the older workforce are a potential market to target for hard to fill roles. Additionally, the Council would be wise to actively seek to attract the older workforce where a second career in later life is desirable.
- 6.4 In addition to the above, the Hampshire County Council Recruitment and Retention Steering Group for Schools identified that:
- there is a net loss of teachers nationally in the secondary sector: 2017-18 showed a decrease of 30% compared to previous years.
 - non qualified posts in schools, such as cleaners, have a high proportion of non UK EU workers occupying the roles
- 6.5 The Cabinet paper: "Adults, Health and Care – Vision & Strategy" (April 2018) stated that there is a challenge to recruit and retain a skilled workforce in the face of competition from other parts of the economy and from general availability of labour – the latter, partly a consequence of Brexit and also the wider impacts of a generally buoyant economy. In this paper it was estimated that the workforce in Hampshire, approximately 35,500 social care workers, is made up of approximately 3,000 (8%) European nationals and 4,300 (12%) Non European Economic Area nationals. It was also estimated that the overall workforce needs to increase by as much as (an unrealistic) 20% over the next five years due to the increase in the number of older people, higher demand for mental health services and increasing numbers of younger adults with learning and physical disabilities. This creates a potential risk to Adults Health and Care's duty of care if they are unable to fulfil critical roles to provide the services required.

6.6 With respect to EU funding for employment and posts in Hampshire County Council, there should be little impact after Britain leaves the EU. Whilst some income is received from an EU funding stream for two year to offset some salary costs for a SELP post it is not considered that this post is directly funded by EU monies.

7. Impact on HR Policies

7.1 Current HR policies in the Council reflect and comply with EU employment legislation and regulations. It will be important for HR to continue to monitor any changes, or potential changes, to legislation both during and after the UK leaves the EU. At the present time there has been no national debate about how, or if, this will impact on UK employment legislation. This will be monitored closely to ensure that HR policies are considered and amended as appropriate.

8. Resourcing and Workforce Development

8.1 The UK's decision to leave the EU will undoubtedly have an impact on the recruitment industry. A recent Resourcing and Talent Pipelining survey (conducted by the CIPD) indicated the recruitment industry is already beginning to see shifts within candidate behaviours following the UK's decision to leave the European Union. The report notes that more caution being exercised by candidates, thus impacting the mobility and availability of talent within the available labour force. This is both in terms of existing workers seeking new employment within UK markets, as well as new workers joining the UK markets.

8.2 In the longer term, future economic and political decisions connected to Brexit (immigration policy, trade deals, transitional arrangements etc.) will ultimately govern the size and make up of the available labour market. At this point specific resourcing impacts can be understood in greater detail. However, when considering earlier analysis around the labour market and key talent sector impacts, talent shortages are likely to increase within UK markets.

8.3 In order to counteract some of the current challenges seen within the market, as well as some of the perceived future changes concerning talent availability/mobility, work will continue to ensure that the best employment practices are deployed in order to:

- Attract the best talent from a wide range of potential labour markets
- Recruit quality employees who have transferable skills and experience and can undertake further development to fulfil roles
- Develop employees through a combination of 'building' skills and capabilities with existing employees and 'buying' talent and specialist skills and experience with new employees.
- Engage and retain existing employees through good working practices, engagement and valuing our staff

9 Conclusion

- 9.1 The overall conclusion is that there is no immediate significant action or concern regarding the implications that Brexit will have on Hampshire County Council Workforce beyond the work which is already in progress. However, as much is still unknown at this stage it will be important to continue to monitor the potential impacts of Brexit and be flexible and agile in how we respond and react to this. A lot is still unknown about how Brexit will impact the economy, policies, legislation and demographics and until this unfolds it would not be appropriate to take significant actions locally.

There are EU nationals currently employed within the Council and where these people occupy hard to fill roles this will continue to be monitored as part of the workforce recruitment and retention strategies. HR will continue to monitor the workforce demographics and horizon in terms of changes to legislation and the economy.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	no
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

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 Duty

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:

1.3 No impact

2 Impact on Crime and Disorder:

2.1 Not applicable.

3 Climate Change:

3.1 Not applicable.

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