

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

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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.)

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.