

AT A MEETING of the EMPLOYMENT IN HAMPSHIRE COUNTY COUNCIL COMMITTEE held at The Castle, Winchester on 10 November 2016.

PRESENT:

Chairman:
p **Councillor Stephen Reid**

Councillors:

p	Vaughan Clarke	p	Roy Perry
p	Adrian Collett	p	John Wall
p	Keith Evans	a	Chris Wood
p	Keith House		

NB: Councillor Chris Greenwood was in attendance as the Substitute Member for the UKIP Group and Councillor Roger Huxstep was in attendance in regard to Item 9 on the agenda.

114. BROADCASTING ANNOUNCEMENT

The Chairman announced that press and members of the public were permitted to film and broadcast this meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording broadcasting purposes.

115 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Chris Wood.

116. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest and, having regard to Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal Interest in a matter being considered at the meeting they considered, 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, considered whether it was appropriate to leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with the Code.

117 MINUTES

The non-exempt Minutes of the meeting held on 6 July 2016 (Item 3 in the Minute Book) were confirmed as a correct record and signed by the Chairman.

118. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements on this occasion.

119. PAY AND POLICY UPDATE

The Employment in Hampshire County Council (EHCC) Committee considered the report of the Director of Corporate Resources (Item 5 in the Minute Book) providing an update on proposed Government policy changes; seeking agreement that local discretionary pay policy issues are applied, and to draw Members attention to the work required to review the EHCC pay framework to ensure continued legislative compliance whilst supporting the resourcing requirements of the County Council.

Members noted that the £95K exit payment cap provisions and the exit payments recovery provisions for those earning £80,000 or more who return to public sector employment within 12 months were not yet in force. Further consultation is expected on the exit payment cap provisions with a view to coming into force later in 2017. Current indications are that the exit payments recovery provisions will come into force early in 2017.

Members' attention was drawn to section 3 of the report setting out further government consultations including salary sacrifice for the provision of benefits in kind. The importance of the administrative resource required to implement such a scheme not outweighing the benefit was noted.

In regard to section 4 of the report Members noted that the County Council's usual policy to apply the EHCC pay award to employees who transferred to the County Council on a TUPE transfer or statutory transfer unless the terms of the transfer agreement detailed otherwise had been reviewed and it was considered appropriate to continue with this arrangement. It was further noted that as part of the 2016-18 pay deal, the National Joint Committee (NJC) agreed to a review of the NJC pay spine, due in the main to the introduction of the National Living Wage (NLW). The review was expected to conclude by the end of June 2017. The outcome of this review will be considered in the context of possible changes to the HCC pay framework, and further updates will be provided. In regard to the NLW, Members requested reassurance that it was being correctly applied within the care industry; the Head of HR and Workforce Development would look into the matter.

RESOLVED:

The EHCC Committee approved:

- a) that, in line with HCC policy, the EHCC pay award continues to be applied to those employees who have transferred to HCC on a TUPE transfer or statutory transfer unless the terms of the transfer agreement expressly say something different.

The EHCC Committee noted:

- b) that legislative changes will be incorporated into HCC policies once agreed by the Government;
- c) the successful implementation of the 2016 pay award and the rounding up of the pay awards to enable a fit with technology requirements;
- d) UNISON's additional pay claim for 2017/18; and
- e) that following the introduction of the NLW a review of both the NJC pay spine and HCC's pay framework will be carried out to ensure it continues to meet legislative requirements, that the overall framework remain viable given the significant changes to the lower grade pay scales and that it enables the Councils resourcing priorities.

120. **ENHANCED VOLUNTARY REDUNDANCY (EVR2) UPDATE**

The EHCC Committee considered the report of the Director of Corporate Resources (Item 6 in the Minute book) seeking an extension of the current enhanced voluntary redundancy offer (EVR2) to 31 March 2020. Members noted that 123 requests for voluntary redundancy under this policy had been accepted in line with planned restructures. The policy was therefore working well and the proposal to extend the scheme was done in the context of helping to achieve Transformation to 2019.

Attention was drawn to section 4 of the report. Under the County Council's Redundancy Policy, a person who has taken voluntary redundancy cannot be re-employed for a period of 12 months from the termination date unless exceptional circumstances apply and the relevant approvals are obtained. In some cases this restriction is not working for the organisation; an example being an ex-employee who decides on a career change to undertake training to become a teacher. The report proposed that in cases where the necessary approvals were obtained to re-employ a previous member of staff within the 12 month period, this be permitted on the basis that all or an appropriate proportion (sliding scale) of a redundancy payment that exceeds the statutory redundancy amount be repaid, which mirrors the provision in the draft Public Sector Exit Payments Recovery Regulations. Members were supportive of this change particularly in regard to front line service areas.

RESOLVED:

That EHCC Committee:

- a) approve the continued operational deployment of the EVR2 scheme, as referenced at paragraph 3.5 of the report, officers will incorporate any legislative changes into the EVR2 scheme; and
- b) agree the addition of a re-payment facility should the County Council agree to re-engagement following redundancy.

121. HAMPSHIRE COUNTY COUNCIL PAY STATEMENT – FINANCIAL YEAR 2017/18

The EHCC Committee considered the report of the Chief Executive (Item 7 in the Minute book) outlining the requirements on the County Council in respect of pay accountability in consequence of the Localism Act, Section 39 of which requires that a Pay Statement be prepared and approved by the County Council prior to 31 March immediately preceding the year to which it relates. The draft Pay Statement for the Financial Year 2017/18 was considered by the Committee, as attached at Appendix A to the report, which included the salary ranges that will apply from 1 April 2017.

RESOLVED:

- a) That the EHCC Committee recommends to the County Council approval of the Pay Statement as detailed in this report and at Appendix A, setting out the County Council's policies in respect of pay accountability for the financial year 2017/18 in accordance with the requirements of the Localism Act.
- b) That the EHCC Committee recommends to the County Council that it remains the appropriate Committee to agree Chief Officer remuneration, for Chief Officers above Grade K, including individual salary offers in respect of any new Chief Officer appointments, any changes to Chief Officer salaries after appointment and any severance packages for Chief Officers leaving the County Council, in accordance with the Pay Statement.
- c) That the EHCC Committee delegates authority to the Chief Executive, in consultation with the Chairman of the EHCC Committee, to make any changes to the draft Pay Statement consequential upon any changes to legislative requirements or other statutory guidance or changes to salaries of staff determine prior to consideration of the Pay Statement by full Council.

122. UPDATE ON THE APPRENTICESHIP LEVY

The EHCC Committee considered the report of the Director of Corporate Resources (Item 8 in the Minute Book) providing an update on the latest position regarding the introduction of the Apprenticeship Levy

from April 2017 and the Public Sector Apprenticeship target. In particular, Members attention was drawn to paragraph 2.7 of the report regarding the 'Trailblazer' programme through which employers will be able to develop and propose new apprenticeship standards to meet their organisation's specific needs.

Members also noted that a consultation is underway regarding the introduction of new funding bands for apprenticeships, as outlined in paragraph 2.14 of the report. The banding structure would enable the organisation to engage apprenticeships in a wide range of jobs across the County Council. It would be important to connect the needs of the business with the Apprenticeship Scheme to ensure the most effective use. Karen Murray, Director of Culture, Communities and Business Services will lead a group, supported by HR, optimising the use of apprenticeships, targeting all ages in line with the needs of the business in order to maximise the benefit and opportunities presented by the levy.

RESOLVED:

That the EHCC Committee:

- a) notes the introduction of the Apprenticeship levy, the County Council estimated liability and the current position regarding the introduction of Public Sector Apprenticeship Targets; and
- b) notes that the County Council is committed to optimising the use of apprenticeships, targeting all ages in line with the needs of the business.

123. **STAFF DISMISSAL APPEALS**

NB: Councillors Chris Greenwood and Roger Huxstep declared a personal interest as Members of the Regulatory Committee.

The EHCC Committee considered the report of the Chief Executive (Item 9 in the Minute Book) seeking a decision from the Committee to recommend to the County Council that the Constitution and Staff Disciplinary Procedures are amended to reflect a change to the hearing of staff disciplinary appeals against dismissal for misconduct. This was a follow-on report to that considered by the Committee at their July meeting and after consultation with Members of the Regulatory Committee, staff and the Trade Unions.

During the course of discussion, Members noted that there had been a low response rate by Members of the Regulatory Committee and the views of those Members that had responded were mixed. The outcome of the Trade Union consultation was that the majority favoured the proposed way forward. Some Members of the EHCC Committee favoured a wider pool of Members or a separate Committee to deal with these appeals. The Head of Law and Governance drew attention to the discussion at the Committee's July meeting where it had been reported

that having a wider pool of Members has training implications and could lead to Members not regularly hearing appeals and hence not building up experience and knowledge. Some Members of the EHCC Committee also expressed the view that there is a clear divide between the operational accountability of the Council, which ultimately lies with the Chief Executive as Head of Paid Service, and the role of Members of the Council. In all circumstances, there was a consensus of the importance for an appellant to have their appeal dealt with in a timely and effective manner.

The Chief Executive expressed strong reservations about the current arrangements for dealing with appeals against serious misconduct often involving challenging circumstances and resulting in profound decisions with long term implications for both the appellant and the organisation. The efficiency of the current process and the delays is a major issue and had been well documented in the reports brought to the EHCC Committee. The Chief Executive drew Members attention to the good track record of managers getting the majority of staff who have veered off course back on track and this was borne out by the reducing number of dismissals. However for those matters that lead to an appeal, they are increasingly very complex and may culminate in Members attending Employment Tribunals.

The recommendations were put to the vote the outcome of which was three Members preferring to retain the status quo and five Members supporting the proposed way forward of Dismissal Appeals being heard by a panel of officers as set out in paragraph 4.1.2 of the report.

The Chief Executive was requested to prepare a stronger report to reflect the points he had made, as set out above, for consideration by the full Council. It was also suggested that an update of how the new process was working in practice could be included in the annual workforce report, which Members welcomed.

RESOLVED:

- a) That EHCC Committee recommends to the County Council that it amend the Constitution to delegate responsibility for hearing staff misconduct dismissal appeals to Officers (other than for Chief Officers).
- b) That subject to the agreement of the County Council referred to at Recommendation a), that the Staff Disciplinary Procedure be amended to reflect the decision of the County Council, as set out at Appendix 3 to the report.
- c) That the Trade Unions be informed that their representations have been considered and of next steps following the outcome of the EHCC Meeting.

124. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information within Paragraphs 1 and 3 of Part I of Schedule 12A to the Local Government Act 1972, being information relating to an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information) which should not be disclosed for the reasons set out in the report.

125. EXEMPT MINUTE

The exempt Minute of the meeting held on 6 July 2016 (Item 11 in the Minute Book) was confirmed as a correct record and signed by the Chairman.

126. MANAGEMENT CAPACITY - UPDATE

The Committee considered and approved the exempt report of the Chief Executive (Item 12 in the Minute Book) providing an update on management capacity to support the County Council's Transformation Programmes.

(SUMMARY OF AN EXEMPT MINUTE).