

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

<b>Committee/Panel:</b>	Employment in Hampshire County Council
<b>Date:</b>	9 March 2016
<b>Title:</b>	2016 National Pay Award and National Living Wage
<b>Decision Reference:</b>	7338
<b>Report From:</b>	Director of Corporate Resources

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**1. Executive Summary**

1.1 This paper provides an update on the national pay award (NPA) currently being negotiated as well the application of the National Living Wage (NLW).

**2.0 Update on Current State of NPA**

2.1 A two-year final pay offer was made to the unions on 9 December, as detailed in **appendix 1**.

2.2 The Unions are consulting with their members on this final offer. Both Unison and Unite will be recommending the offer be rejected. The Unison ballot closed in February and the Unite and the GMB ballot is mid March. A verbal update on the latest position will be provided.

**3.0 Update on current state of NLW**

3.1. The NLW has been determined to be set at £7.20 which equates to £13,891 per annum as from 1 April 2016. The County Council has a statutory responsibility to meet this.

**4.0 Financial Impact of implementing the proposed NPA and required NLW**

4.1 The Employers have advised that the total increase to the national pay bill resulting from this offer is 2.4% over two years. Approximately 0.4% of this figure is designed to meet immediate obligations under the NLW.

4.2 For financial planning purposes HCC's Medium term Financial Strategy

included provision for a 1% pay award in 2016/17 and 2017/18 for HCC cash limited budgets and allowance for the introduction of the NLW.

**5.0 Action to be taken by HCC to meet NLW requirements on 1 April 2016**

5.1 If, as expected, the NPA is not agreed in time for implementation in April 2016 the Council will need to ensure that all staff are paid at least the NLW of £7.20 per hour from 1 April 2016. To meet this legal requirement an interim increase to £7.20 per hour, which equates to £13,891 per annum, will be applied to the base pay of staff on steps 1 and 2 of Grade A, from 1 April 2016.

**6.0 Future implementation of NPA**

6.1 Once agreed, the NPA will be applied to HCC's 2014/2015 pay scales and backdated to 1 April 2016.

6.2 As a result of the NPA being applied, the interim increase in pay for those members of staff as referenced at 5.1 will cease, as all staff will move onto the appropriate 2016/17 pay scale.

**7.0 Recommendations**

7.1 The EHCC Committee is asked to note the progress on the NPA currently being negotiated and the implementation of the NLW.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

This proposal does not link to the Corporate Strategy but requires a decision because Hampshire County Council must comply with the National Living Wage from April 2016 and implementation arrangements must be made.

**Other Significant Links**

**Links to previous Member decisions:**

<u>Title</u>	<u>Reference</u>	<u>Date</u>
2016 Pay Review and Living Wage	6985	11 November 2015

**IMPACT ASSESSMENTS:**

**1. Equalities Impact Assessment:**

1.1 Employees at Grade A, B and C may receive a higher percentage increase than staff at other grades. Therefore, there is a potential equalities impact. This is justifiable, due to the need to apply the outcome of the national bargaining process. There are no other equality implications as the paper proposes a consistent approach across senior management grades.

**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.

**Appendix 1 – The Employers final pay offer for 2016 and 2017**

NJC pay scales (2015)	From 1 April 2016	From 1 April 2017
• SCP 6 £13,614	• £900 (equivalent to 6.6%)	• £500 (equivalent to 3.4%)
• SCP 7 £13,715	• £900 (equivalent to 6.6%)	• £500 (equivalent to 3.4%)
• SCP 8 £13,871	• £900 (equivalent to 6.5%)	• £475 (equivalent to 3.2%)
• SCP 9 £14,075	• £900 (equivalent to 6.4%)	• £400 (equivalent to 2.6%)
• SCP 10 £14,338	• £900 (equivalent to 6.3%)	• £375 (equivalent to 2.5%)
• SCP 11 £15,207	• £300 (equivalent to 2.0%)	• £300 (equivalent to 1.9%)
• SCP 12 £15,523	• £300 (equivalent to 2.0%)	• £300 (equivalent to 1.9%)
• SCP 13 £15,941	• £250 (equivalent to 1.6%)	• £300 (equivalent to 1.9%)
• SCP 14 £16,231	• £250 (equivalent to 1.5%)	• £300 (equivalent to 1.8%)
• SCP 15 £16,572	• £200 (equivalent to 1.2%)	• £300 (equivalent to 1.8%)
• SCP 16 £16,969	• £200 (equivalent to 1.2%)	• £250 (equivalent to 1.5%)
• SCP 17 £17,372	• £175 (equivalent to 1.01%)	• £225 (equivalent to 1.3%)
• SCP 18 £17,714	• 18 and above, 1.0%	• 18 and above, 1.0%