

TITLE : LOCAL GOVERNMENT PAY AND PENSIONS AND A ROUND UP OF CURRENT CONSULTATIONS AND IMPENDING NEW REGULATIONS.**INFORMATION NOTE OF THE CORPORATE HUMAN RESOURCES MANAGER****1. SUMMARY**

- 1.1 This is a round up of the many pay related consultations and impending regulations or future consultations for Local Government pay and benefits.

2. STEPS TO DATE

- 2.1 There is regularly an update to the Joint Staff Consultation Forum to inform the committee of the progress of any national pay negotiations or any changes in relation to pensions that may be coming up. This note is intended to give a brief overview of the other pay related consultations and or impending regulations or future consultations for Local Government pay and benefits.

3. INFORMATION TO NOTE**3.1 National Pay Bargaining 2016/17**

Unison and Unite have rejected the Employers pay offer of a 1% pay increase over the next two years the GMB ballot result is not yet known. The employers have provided details of what to do to ensure pay scales comply with the National Living Wage that comes into effect on 1 April 2016.

Pensions

The new single-tier state pension resulting in the abolition of contracted out rates of NI comes into effect from 5th April. There will be an impact on pay for both the Council and employees. Employers Class 1 National Insurance Contribution (NIC) will increase by 3.4% and for employees NIC will increase by 1.4% that will impact on take home pay. Communications to staff have commenced.

The Government has opened a consultation proposing to reduce the cost of employer-funded pension top up payments, such as limiting the amount of employer funded top ups for early retirement, or removing access to them, and / or increasing the minimum age at which an employee is able to receive an employer funded pension top up. The latter would link the minimum age more closely with the LGPS Pension Age.

Exit Payment Cap

The Enterprise Bill that proposes a cap of £95,000 for exit payments is still passing through the House of Commons. The cap will include payments related to voluntary and compulsory redundancies or other voluntary exits. The cost to the employer of offering

early access to unreduced pensions in combination with other exit payments severance payments and ex gratia payments related to exit from employment. The monetary value of any extra leave, allowances or other benefits granted as part of the exit process which are not payment in relation to employment. Payments or compensation in lieu of notice and payments relating to the cashing up of outstanding entitlements (such as outstanding leave or allowances that are cashed up and added to the value of the sum)

Where a number of different payments are made they will be aggregated together to be measured against the cap.

4. NEXT STEPS

- 4.1 For the NI changes we have started communications to inform staff why they will be paying more NI contributions.

The cap on exit payments, when the regulations are finalised, will require changes to the Councils Early Severance Policy and Pension Discretions.

The further proposed reforms will be followed which may require further changes to the Councils Early Severance Policy and Pension Discretions.

5. APPENDICES

- 5.1 None.

6. CONTACT OFFICERS

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7. BACKGROUND PAPERS

- 7.1 None.