

INFORMATION NOTE: 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 latest position on pay settlements, pay bargaining and related consultations, 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, pay claims, pay awards and any changes in relation to pay and pensions that may be coming up.

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

During May a pay agreement was finally reached for a 1% pay increase over the next two years with higher increases for the lowest paid to exceed the National Living Wage and to work towards it increasing up to the rates expected in 2020.

The pay increases will be paid in June Salaries and will be backdated to 1 April 2016. For the majority of staff the increase will be 1% in 2016 and 1% in 2017.

Pensions

The new single-tier state pension resulting in the abolition of contracted out rates of NI came into effect from 5th April with employees NI Contributions increasing by 1.4%.

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 Exit Payment Regulations 2016 are awaited that propose a cap of £95,000 for exit payments. 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

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

6.1 Kerry Shorrocks – Corporate Human Resources Manager 01462 474224
kerry.shorrocks@north-herts.gov.uk

7. BACKGROUND PAPERS

7.1 None.