

Committee(s)	Dated:
Establishment Committee	26 February 2018
Subject: Funding arrangements for maternity, adoption, shared parental pay and other similar costs	Public
Report of: Chrissie Morgan, Director of HR Peter Kane, Chamberlain	For Information
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Summary

Members of the Establishment Committee asked officers to report on the funding options which were considered by Chief Officers as part of the recent policy change with regards to the increased pay provisions for maternity, adoption and shared parental leave.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. In December 2017 members of the Establishment Committee received a report asking for them to consider enhancing the current maternity, adoption and shared parental pay for employees with 52 weeks service.
2. As part of this change in provision a return to work clause of 6 months would be included in order for staff to retain the ½ pay element of the occupational pay element of maternity, adoption and shared parental pay.
3. The Establishment Committee agreed these two recommendations and the changes were implemented for staff whose maternity, adoption or shared parental leave commenced from 1 January 2018. Consideration was also given to staff who commenced their maternity, adoption or shared parental leave from 5 December 2017 (the date members agreed the changes) and it was agreed that they would also be moved to the new provisions if they met the eligibility criteria.

4. Members also asked the Director of HR and the Chamberlain to report back on the rationale regarding the funding arrangements for maternity, adoption and shared parental pay.
5. As part of the review of the maternity, adoption and shared parental pay provisions, Chief Officers gave consideration as to how the costs would be met. Currently the employing department funds the full cost of maternity, adoption and shared parental pay. Whilst the statutory payments are reclaimed through the HMRC, the additional (occupational) pay is a direct cost and cannot be reclaimed. It was determined that costs continue to be met from within departmental local risk budgets for the next year at least.
6. Costs relating to maternity, adoption and shared parental leave cover are not fully funded. Cover arrangements will differ by department and role; in some cases, like-for-like cover would be arranged, or it may be through agency workers or duties picked up across the team.

Financial Options

7. As part of the review of these policies consideration was given to the funding arrangements based on the following options:
 - a. Department to continue to meet the full cost of maternity, adoption and shared parental pay within their existing local risk budget;
 - b. Cost of maternity, adoption and shared parental pay to be met from a central budget.
8. Chief Officers considered the above options and the decision was made that funding should continue to be met locally. While historic trend analysis provides some indication of the likely future cost of maternity, adoption and shared parental pay, it is impossible to predict when and where these costs will occur, or indeed the total sum required to form a central contingency for this purpose. Should a central contingency be created, this would need to be on a revenue neutral basis, effectively top-slicing all local risk budgets.
9. It was acknowledged that smaller departments will be impacted by a local risk policy and the Chamberlain offered reassurance that overspending occurring as a result of maternity, adoption and shared parental leave provisions that cannot be accommodated within existing budgets will be looked at sympathetically at year end.
10. It was also agreed that the enhanced pay provisions will be forward looking, to be implemented following committee approval. This was agreed by Establishment Committee.

Corporate & Strategic Implications

11. A test of relevance, as required by the Public Sector Equality Duty (PSED) was undertaken and identified that the actions identified in the report would be positive in the approach.

Implications

12. The decision to meet the costs of enhancements to maternity, adoption and shared parental leave provisions will increase pressure on Chief Officer local risk budgets.

Conclusion

13. This report provides Members with those options considered by Chief Officers in relation to funding maternity, adoption and shared parental leave provisions and the rationale behind remaining with the existing model of meeting this from local risk budgets.

Appendices

- None

Background Papers

- Establishment Committee Report: Maternity, Adoption and Shared Parental Pay, December 2017
- Test of Relevance – Maternity, Paternity, Adoption and Shared Parental Pay
- Establishment Committee Report: Family Friendly Policies – Amendments to Promote Parity, October 2016

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