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To: All Members of the **EMPLOYMENT COMMITTEE**

The following papers have been added to the agenda for the above meeting.

They were not available for publication with the rest of the agenda.

Yours sincerely

Damian Roberts

Chief Executive

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#### **SUPPLEMENTARY PAPERS**

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**Surrey Heath Borough Council**  
**Employment Committee**  
**8<sup>th</sup> February 2022**

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**Annual Pay Settlement**

<b>Strategic Director/Head of Service</b>	Louise Livingston
<b>Report Author:</b>	Louise Livingston – Head of Human Resources, Performance & Communication
<b>Key Decision:</b>	No
<b>Wards Affected:</b>	All

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**Summary and purpose**

To consider the two different pay award recommendations from the Joint Staff Consultative Group held on 3<sup>rd</sup> February 2022. One recommendation from the Staff Representatives and the other recommendation from Councillors of the Joint Staff Consultative Group. This is as set out in the Annual Pay Settlement Procedure – Annex A

**Recommendation**

The Employment Committee is advised to RECOMMEND to Full Council either

- (i) a consolidated increase of £650 on all pay scale points, as proposed by Staff Representatives; or
- (ii) a consolidated increase of £500 on all pay scale points, as proposed by Member Representatives.

**1. Background and Supporting Information**

- 1.1 The pay award is a Council decision however before a decision is made the Annual Pay Settlement Procedure is followed. This includes a consultation through the Joint Staff Consultative Group and then recommendation/s made to the Employment Committee who in turn recommend to Council.
- 1.2 On 24<sup>th</sup> January 2022 negotiations opened with staff representatives for the pay award 22/23, the offer was a consolidated sum of £350 on all pay points (scp) within the pay grades. The reason for offering a sum of money rather than a percentage rise is because it means staff on lower grades are better off in relative terms.
- 1.3 On 3<sup>rd</sup> February the Joint Staff Consultative Group met to discuss the Pay Award 22/23.

- 1.4 Councillors received a presentation from staff representatives who put forward a counter claim of a consolidated payment of £650.00, status quo on the Christmas closure and for a further discussion to take place about setting a pay award linked to the medium-term financial strategy. This offer was as a result of consultation with all staff, the rise in National Insurance for all staff, the large rise in the cost of living (inflation 5.5% and rising), no pay award for the majority of staff in 21/22, low morale, etc full details are set out in the draft minutes of the JSCG 03<sup>rd</sup> February 2022.
- 1.5 After consideration, Councillors offered £500 consolidated payment. It was felt Christmas Closure should be discussed at a separate meeting along with setting a pay award for the medium term. It was noted that this discussion should take place soon. This was taking into consideration the Council's current budget situation but also wanting to recognise the hard work of staff and the rise in the cost of living. Full details are set out in the minutes of the JSCG meeting held on 3<sup>rd</sup> February 2022, as attached at Annex B.
- 1.6 After consideration by staff representatives they turned down the offer and wanted to remain with the offer they had put forward.
- 1.7 Both pay award proposals were voted on there was not a consensus reached by both councillors and staff representatives, hence 2 recommendations have been put forward to the Employment Committee.

## **2. Reasons for Recommendation**

- 2.1 It is the Employment Committee's role to recommend to Full Council the Annual Pay Award for staff.
- 2.2 The recommendations put forward to the Employment Committee are as a result of a period of debate and negotiation between staff representatives and Councillors. In accordance with the terms of reference of the Joint Staff Consultative Group and the Annual Pay Settlement Procedure if a balanced decision of both staff representatives and councillors is not obtained two recommendations are put forward.

## **3. Proposal and Alternative Options**

- 3.1 The Employment Committee needs to decide which proposed pay award will be put forward to Council after considering the recommendations from the Joint Staff Consultative Group.

## **4. Contribution to the Council's Five Year Strategy**

- 4.1 The pay award will contribute to how the Council remains an Effective and Responsive Council ensuring that it has the right resource to deliver all the ambitions and priorities as set out in the 5 Year Strategy.

## **5. Resource Implications**

- 5.1 The pay award depending on what is agreed will have a direct impact on the Council's Budget and savings will need to be made or income increased to pay for the award to ensure that it doesn't cause year on year growth.

## **6. Section 151 Officer Comments:**

- 6.1 The Section 151 Officer has been made aware of the negotiations on the pay award and has been clear that whatever award is made savings will need to be made within the budget to pay for the award.

## **7. Legal and Governance Issues**

- 7.1 The procedure that has been followed is in line with the governance set out for the Joint Staff Consultative Group and Employment Committee, with the final decision made by Council when it sets the budget.

## **8. Monitoring Officer Comments:**

- 8.1 Report sent for noting.

## **9. Other Considerations and Impacts**

### **Environment and Climate Change**

- 9.1 None

### **Equalities and Human Rights**

- 9.2 The Pay award is considered for all staff equally there are no equality or human rights issues. The differentials sometimes made is to favour an award for lower paid compared to the higher paid but this does not impact any of the protected characteristics as set out in the Equalities Act.

### **Risk Management**

- 9.3 There could be impact on staff morale as demonstrated from the feedback received by staff representatives. There could be an impact on recruitment and retention to date there is no data to support this.

### **Community Engagement**

- 9.4 None

### **Annexes**

Annual Pay Settlement Procedure – see annex A

Draft minutes Joint Staff Consultative Group – see Annex B

### **Background Papers**

None

## **Annex A**

# **Annual Pay Settlement Procedure**

### **Authorisation**

The Chief Executive as head of paid service for Surrey Heath Borough Council will authorise the annual pay settlement following approval at Full Council.

### **Definition**

This procedure is to determine the value of the annual pay settlement that will be paid to all staff when determined on/or backdated to 1st April each year. A pay settlement will be determined each year the year running from 1st April until 31st March.

### **Justification**

**Surrey Heath Borough Council (HR Manager)** – A case will be drawn up proposing the value of the pay settlement. This will be supported by financial and benchmarking information this includes; the financial position of the Council, benchmarking data gathered regards previous year's settlements, proposed national agreements and proposed local agreements and the economic climate.

**Staff Representatives** – will assess the case by canvassing staff and gathering their own financial data (where possible Unison will assist with the gathering of this information). Staff representative group need to submit their counter proposals in writing two weeks prior to the JSCG meeting when it will be discussed.

**Joint Staff Consultative Group (JSCG)** – JSCG will assess the case put forward, discuss any counter proposals made by the Staff Representative Group and every effort will be made to reach an agreement.

### **Employment Committee**

Any agreement reached at JSCG will be put forward to the Employment Committee for their approval and they will recommend this to Full Council.

If agreement can't be reached by the JSCG then two different recommendations would be put forward to the Employment Committee, which will decide which recommendation will be recommended to Full Council for adoption.

### **Full Council**

Following receipt of the recommendation from Employment Committee, Full Council will make the final decision.

### **Consultation**

The consultation will be undertaken with a view to reaching agreement with staff representatives. Surrey Heath Borough Council will approach the consultation with an open mind and be prepared to consider any recommendations made by the staff representatives; these should be given proper consideration. All statements should be referred to as "proposal" and SHBC should not make its final decisions until the end of consultation.

## **Timeline**

In September of each year, the HR Manager will present a case to JSCG outlining the proposed pay award for implementation the following April. This is the start of the consultation period and members of staff may be invited to attend this meeting.

Two weeks prior to the JSCG meeting in November Staff Representatives to submit any counter proposals.

At JSCG in November the proposed pay settlement is discussed and recommendations put forward to the Employment Committee no later than January which will then go to Full Council in February. It may be necessary to have further meetings outside the scheduled JSCG meetings, if agreement cannot be achieved.

## Annex B

### Minutes of a Meeting of the Joint Staff Consultative Group on 3 February 2022

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- Cllr Graham Tapper (Chairman)  
+ Lynn Smith (Vice Chairman)

- Cllr Rodney Bates	+ Keiran Bartlett
+ Cllr Sharon Galliford	+ Andrew Edmeads
+ Cllr Josephine Hawkins	+ Joe Fullbrook
- Cllr Rebecca Jennings-Evans	+ Kathy Lindsay
+ Cllr David Mansfield	Gillian Riding
+ Cllr Charlotte Morley	+ Anthony Sparks
+ Cllr Helen Whitcroft	- Karen Wetherell

+ Present  
- Apologies for absence presented

In Attendance: Louise Livingston, Julie Simmonds and Rachel Whillis.

#### 33/J Notes

The notes of the meeting held on 13 January 2022 were agreed as a correct record.

#### 34/J Pay Settlement 2022/23

The Group was updated on the current progress of pay negotiations for 2022/23. It was reported that an offer of a consolidated increase of £350 on all pay scale points had been made to Staff Representatives. In response, Staff Representatives had requested a consolidated increase of £650 on all pay scale points.

Staff Representatives delivered a presentation detailing the rationale for the group's counter request. A table was presented, setting out how a pay rise of £350 compared to a pay rise of £650 in relation to a percentage increase. The table also provided information on the percentage of staff on each pay grade. It was advised that, with a £350 pay rise, staff on pay scales up to grade SH5 would receive a pay increase of 1% or more, with members of staff on grades SH6 and above receiving less than a 1% increase. A pay increase of £650 would mean all staff on grades up to SH9 would receive an equivalent increase of 1% or more; only staff on grade SH10 and above would receive an increase equivalent to less than 1%. The table also demonstrated how the upcoming National Insurance increase would affect each pay grade: with a pay increase of £350, the NI increase would effectively be a real-term pay decrease for staff on grade SH7 or above. A pay rise of £650 would mean that only staff on grade SH10 or above would receive an award that was less than their increase in NI contributions.

In addition, Staff Representatives made reference to factors affecting cost of living pressures, current rates of inflation, the Council's need to demonstrate investment in



its staff, staff morale, and recruitment and retention issues being experienced. Staff responses to a consultation were also shared with the Consultative Group. Staff Representatives also indicated a wish to see the pay increases factored into the budget planning and the Medium Term Financial Strategy in order to provide proper forward planning for the negotiations. Clarity on Christmas closure and maintaining the practice undertaken in recent years was also requested. Staff Representatives also requested a review of the pay negotiation procedure with a view to making it a more efficient process.

Having considered the presentation, Member Representatives proposed an alternative offer of a consolidated £500 increase on all pay scale points. Members acknowledged the issues raised by Staff Representatives and suggested that an increase of £500 would demonstrate a balance between those concerns whilst also recognising the Council's financial position. They also stated support for the representations made about the budget planning process and linking pay awards to the Medium Term Financial Strategy, and indicated they would work with Staff Representatives on improving the pay negotiation process. However, any discussions on Christmas closure for 2022 would be undertaken separately at a future meeting.

Staff Representatives discussed the offer of a £500 increase to all pay scale points and thanked Members for their response. The implications of a £500 were reviewed: when compared to the Staff Representatives' request for a £650 increase, 12% more staff would receive an award under 1%; furthermore, staff on grade SH8 or above would have a real-term pay decrease when factoring the NI increase. For comparative purposes it was also noted that the national pay offer was understood to be 1.75%, meaning all staff on grade SH5 or above would receive less than the anticipated national offer. In addition, Staff Representatives referred to being mindful of the staff feedback they had received. Whilst it was recognised that an increase of £650 would have a greater impact on the budget, it was felt that the difference between a £500 and a £650 increase was unlikely to substantially alter any impact on savings required to fund the pay award. Staff Representatives therefore decided to continue with their original request for a consolidated increase of £650 on all pay scale points.

As no consensus was reached, both options were put to the vote. Neither option achieved a majority of both staff and member representatives voting in favour of that option, as required by the Group's Constitution. Consequently, in accordance with the Annual Pay Settlement Procedure, both options would be presented to the Employment Committee for consideration.

**RESOLVED that the Employment Committee be advised to recommend to Full Council either**

- (iii) A consolidated increase of £650 on all pay scale points, as proposed by Staff Representatives; or**
- (iv) A consolidated increase of £500 on all pay scale points, as proposed by Member Representatives.**

Note: It was noted for the record that any pay award affected all members of staff present at the meeting.

Chairman